

## SIBUR REPORTS 9M 2014 IFRS RESULTS

**Moscow, 11 December 2014.** PAO SIBUR Holding, an integrated gas processing and petrochemicals company, today published its operational and financial results for the nine months ended 30 September 2014 in accordance with International Financial Reporting Standards (IFRS).

### Operational highlights

- *Associated petroleum gas (APG) processing volumes increased by 6.1% year-on-year*
- *Raw natural gas liquids (raw NGL) fractionation volumes increased by 16.4% year-on-year*
- *Basic polymers production increased by 60% year-on-year following the launch of Tobolsk-Polymer Plant*

### Financial highlights

- *Revenue increased by 33.5% year-on-year*
- *Revenue from sales of energy products increased by 58.4% year-on-year*
- *Revenue from sales of basic polymers increased by 57.4% year-on-year*
- *Revenue from sales of synthetic rubbers decreased by 19.2% year-on-year*
- *EBITDA increased by 28.3% year-on-year*
- *Adjusted profit<sup>(i)</sup> decreased by 31.4% year-on-year*

### Operational Results

In the nine months ended 30 September 2014, SIBUR's gas processing plants (GPPs) processed 15.4 billion cubic metres of APG, an increase of 6.1% year-on-year. As a result, production of natural gas rose by 6.5% year-on-year to 13.3 billion cubic metres. Raw NGL fractionation volumes increased by 16.4% year-on-year to 4.5 million tonnes.

SIBUR increased sales volumes of the majority of its energy products primarily due to substantial expansion of trading activities for naphtha following the launch of Ust-Luga transshipment facility. Natural gas sales volumes increased by 28.7% year-on-year to 11.5 billion cubic metres. External sales of NGLs, including liquefied petroleum gases (LPG), naphtha and raw NGL, rose by 39% year-on-year to 4.9 million tonnes. Sales volumes of petrochemical products totaled 1.6 million tonnes, a decrease of 1% year-on-year.

### Operating results

<i>Tonnes, except as stated</i>	Nine months ended 30 September		Change %
	2014	2013	
<b>Processing and production volumes</b>			
APG processing (thousand cubic metres)	15,354,104	14,476,887	6.1%
Natural gas production (thousand cubic metres)	13,298,362	12,492,508	6.5%
Raw NGL fractionation	4,533,876	3,895,248	16.4%
Basic polymers production	438,832	275,076	59.5%
Synthetic rubbers production	263,199	304,983	(13.7%)
Plastics and organic synthesis production	645,220	638,255	1.1%
Intermediates and other chemicals production	2,983,278	3,120,343	(4.4%)
<b>Sales volumes</b>			
Natural gas sales volumes (thousand cubic metres)	11,491,642	8,929,111	28.7%
NGLs sales volumes	4,866,964	3,501,430	39.0%
MTBE, other fuels & fuel additives sales volumes	448,127	482,327	(7.1%)
Petrochemical products sales volumes	1,591,136	1,607,021	(1.0%)

## Financial Results

In the nine months ended 30 September 2014, we delivered strong results. This was largely attributable to the completion of large-scale projects on construction of integrated transportation infrastructure, processing capacities, as well as polymers production. The completion of the Purovsk–Pyt-Yakh–Tobolsk pipeline construction provides SIBUR with an access to the additional available volumes of raw NGL, and the expanded fractionation capacity in Tobolsk enabled us to increase production volumes of energy products. We also increased production and sales of basic polymers following the launch of Tobolsk-Polymer Plant.

Our revenue increased by 33.5% to RR 263,852 million compared to RR 197,598 million in the nine months of 2013. Our revenue from sales of energy products increased by 58.4% year-on-year to RR 163,457 million from RR 103,169 million in the corresponding period of 2013. The solid performance of our energy product group was primarily attributable to higher sales volumes on expanded trading activities following the launch of the Ust-Luga transshipment facility in the end of 2013 and higher LPG and naphtha production following the launch of the transportation and fractionation capacities. Our revenue from sales of basic polymers increased by 57.4% year-on-year to RR 26,135 million from RR 16,605 million in the nine months ended 30 September 2013. The increase was largely attributable to higher PP sales volumes following the launch of Tobolsk-Polymer plant in the second half of 2013. The increase of revenue from sales of plastics and organic synthesis products was primarily attributable to higher sales volumes of PET and BOPP-films. Our synthetic rubber business remained under significant pressure on the back of persistently negative market environment for our synthetic rubber grades resulting in a decrease of revenue by 19.2% year-on-year to RR 20,124 million from RR 24,908 million in the corresponding period of 2013. Our revenue from sales of petrochemical products increased by 6.1% year-on-year to RR 92,850 million from RR 87,491 million a year earlier.

Our EBITDA for the period amounted to RR 73,140 million, a year-on-year growth of 28.3% from RR 56,985 million in the nine months of 2013. This was largely attributable to the completion of large-scale investment projects.

In the nine months ended 30 September 2014, our adjusted profit<sup>(i)</sup> decreased by 31.4% year-on-year to RR 24,778 million from RR 36,124 million a year earlier. This was negatively affected by the substantial Russian rouble depreciation that resulted in net foreign exchange loss in the amount of RR 20,263 million.

Our profit increased by 97.2% year-on-year to RR 67,857 million from RR 34,410 million in the nine months of 2013. The increase was largely attributable to a non-cash gain on acquisition of a 49% stake in OOO Yugragazpererabotka related to the revaluation of SIBUR's share in the JV accounted for at historical cost before the transaction. This was partially offset by a non-cash charge related to the equity-settled share-based payment plans granted to the Group's former and current directors and key management in July 2013, and a non-cash gain on deconsolidation of OOO Yugragazpererabotka in the first half of 2013.

In the nine months ended 30 September 2014, our capital expenditures decreased by 6.3% to RR 49,293 million from RR 52,605 million a year earlier, as we completed several large-scale projects in 2013 and early 2014.

### Financial results

RR millions, except as stated	Nine months ended 30 September		Change %
	2014	2013	
Revenue (net of VAT and export duties)	263,852	197,598	33.5%
Energy products	163,457	103,169	58.4%
Petrochemical products	92,850	87,491	6.1%
Other	7,545	6,938	8.7%
EBITDA	73,140	56,985	28.3%
EBITDA margin, %	27.7%	28.8%	
Profit for the reporting period	67,857	34,410	97.2%
Adjusted profit <sup>(i)</sup>	24,778	36,124	(31.4%)
Operating cash flows before working capital changes	73,561	56,780	29.6%
Net cash used in investing activities, including	(76,182)	(55,568)	37.1%
Capital expenditures	(49,293)	(52,605)	(6.3%)

### Borrowings

As of 30 September 2014, our total debt amounted to RR 144,939 million, an increase of 12.1% from RR 129,247 million as of 30 June 2014. The portion of long-term debt increased to 75.0% from 62.4% as of 30 June 2014.

Our net debt<sup>(ii)</sup> increased by 15.8% to RR 132,571 million as of 30 September 2014 from RR 114,466 million as of 30 June 2014. Our net debt to EBITDA ratio was 1.40x compared to 1.27x as of 30 June 2014 demonstrating the company's strong financial position.

#### Borrowings

<i>RR millions, except as stated</i>	As of 30 September 2014	As of 30 June 2014	As of 31 December 2013	Change, % vs 30 June 2014	Change, % vs 31 Dec 2013
Total debt	144,939	129,247	100,474	12.1%	44.3%
Cash and cash equivalents	12,368	14,781	7,948	(16.3%)	55.6%
Net debt <sup>(ii)</sup>	132,571	114,466	92,526	15.8%	43.3%

#### Key ratio

	As of 30 September 2014	As of 30 June 2014	As of 31 December 2013
Debt / EBITDA	1.53x	1.43x	1.27x
Net debt <sup>(ii)</sup> / EBITDA	1.40x	1.27x	1.17x

#### Borrowings by scheduled maturities

<i>RR millions, except as stated</i>	As of 30 September 2014	% of total borrowings	As of 30 June 2014	% of total borrowings	As of 31 December 2013	% of total borrowings	Change, % vs 31 December 2013
<b>Due for repayment:</b>							
Within one year	36,307	25.0%	48,570	37.6%	42,743	42.5%	(15.1%)
Between one and two years	35,313	24.4%	30,496	23.6%	6,344	6.3%	456.6%
Between two and five years	64,364	44.4%	41,547	32.1%	42,454	42.3%	51.6%
After five years	8,955	6.2%	8,634	6.7%	8,933	8.9%	0.2%
<b>Total debt</b>	<b>144,939</b>	<b>100.0%</b>	<b>129,247</b>	<b>100.0%</b>	<b>100,474</b>	<b>100.0%</b>	<b>44.3%</b>

The full version of the unaudited consolidated interim condensed financial information as of and for the three and nine months ended 30 September 2014 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.

As of 30 September 2014, SIBUR operated 26 production sites located all over Russia, had over 1,400 major customers engaged in the energy, automotive, construction, fast moving consumer goods (FMCG), chemical and other industries in approximately 70 countries worldwide and employed over 26,000 personnel.

#### Investor Relations

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<sup>(i)</sup> Profit for the reporting period net of equity-settled share-based payment plans and the non-cash gain on acquisition and deconsolidation of OOO Yugragazpererabotka.

<sup>(ii)</sup> Net debt represents total debt less cash and cash equivalents.