



OAO LUKOIL First Half 2002 Financial Results

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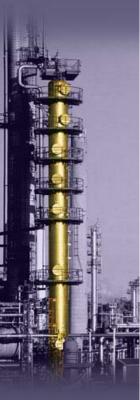


Economic Environment

	1Q 02	2Q 02		1H 02	1H 01
			Domestic Market		
	4.61	8.70	Realized oil (\$/barrel)	6.30	8.01
	116.36	131.20	Realized refined products (\$/tonne)	123.95	155.70
			Inflation 06.30.01 – 06.30.02(%)	15%	
			Ruble appreciation against USD (%)	6%	
COLUMN TO SERVICE STATE OF THE	20.5%	26.3%	Taxes other than income/ Revenues (%)	23.9%	18.8%
1			International Market		
	18.20	21.26	Realized oil (\$/barrel)	19.68	23.31
ĬÌ.	193.39	247.56	Realized refined products (\$/tonne)	223.49	256.47



Sales Structure



	1Q 02 %	2Q 02 %		1H 02 %	1H 01 %
- 213	62.4%	66.2%	Export sales and sales on international markets to total volume of sales	64.3%	54.3%
	49.8%	57.0%	Refined products to total volume of sales	53.4%	48.3%



Financial Results

1Q 02 mill.USD	2Q 02 mill.USD		1H 02 mill.USD	1H 01 mill.USD
2,867	3,809	Total revenue	6,676	6,884
(1,053)	(1,098)	Operating expenses	(2,151)	(2,145)
(575)	(641)	Selling, general and administrative expenses	(1,216)	(934)
(589)	(1,004)	Taxes other than on income and excises and export tariffs	(1,593)	(1,300)
317	810	Income before income taxes	1,127	1,899
243	598	Net income	841	1,433
630	1,036	EBITDA	1,666	2,461





Operating Expenses



1Q 02 mill.USD	2Q 02 mill.USD		1H 02 mill.USD	1H 01 mill.USD
397	373	Extraction expenses	770	773
154	161	Refinery expenses, including processing fees	315	290
502	564	Other operating expenses, including cost of purchased crude oil and refined products	1,066	1,082
1,053	1,098	TOTAL	2,151	2,145





Production Costs Falling

Period	\$ per barrel		
2001	\$ 3.14		
1Q 2002	\$ 3.01		
2Q 2002	\$ 2.95		
1H 2002	\$ 2.98		



Summary Cash Flow



1Q 02 mill.USD	2Q 02 mill.USD		1H 02 mill.USD	1H 01 mill.USD
208	659	Cash flow from operating activity	863	1,475
(605)	(476)	Cash used in investing activities	(1,081)	(1,512)
106	168	Cash provided by financing activities	279	280



Capex



1Q 02 mill.USD	2Q 02 mill.USD		1H 02 mill.USD	1H 01 mill.USD
404	177	Exploration and production	581	729
51	42	Refining	93	122
84	148	Marketing and distribution and other	232	160
539	367	TOTAL	906	1,010



Financial Highlights

1Q 02 mill.USD	2Q 02 mill.USD		1H 02 mill.USD	1H 01 mill.USD
12.9%	20.8%	Operating margin	17.4%	29.1%
8.5%	15.7%	Net margin	12.6%	20.8%
		Gearing *	15.2%	11.1%
7.8%	18.7%	ROAE	13.2%	25.8%
8.6%	17.7%	ROACE	13.1%	25.2%

^{*} Total net debt /(Total net debt + Equity)





Current Objectives

Increase revenues



- increase volume of oil extracted
- increase volume of refined products
- increase export of crude oil and refined products

Decrease expenses



- shut-in inefficient (low-producing) wells
- put into operation new high-producing wells
- use effective and efficient service companies

Increase efficiency of investments



- development of export infrastructure
- purchase new oil and gas reserves at the lowest possible price
- increase number of high-producing wells
- investments in refinery segment