

Gazprom

Consolidated 2008 IFRS Financial

Results Presentation



Disclaimers

This presentation has been prepared by OJSC Gazprom (the “Company”), and comprises the slides for a presentation to investors concerning the Company. This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares or other securities representing shares in the Company, nor shall it or any part of it nor the fact of its presentation or distribution form the basis of, or be relied on in connection with, any contract or investment decision.

Any viewer of this presentation considering a purchase of such securities is hereby reminded that any such purchase should be made solely on the basis of the information contained in the prospectus or other offering document prepared in relation thereto and will be subject to the selling restrictions set out therein. No reliance may be placed for any purposes whatsoever on the information contained in this presentation, or any other material discussed at any presentation or on its completeness, accuracy or fairness. The information in this presentation should not be treated as giving investment advice. Care has been taken to ensure that the facts stated in this presentation are accurate, and that the opinions expressed are fair and reasonable. However, the contents of this presentation have not been verified by the Company. Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its members, directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in or discussed at this presentation. None of the Company or any of their respective members, directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.

The information in this presentation includes forward-looking statements. These forward-looking statements include all matters that are not historical facts, statements regarding the Company’s intentions, beliefs or current expectations concerning, among other things, the Company’s results of operations, financial condition, liquidity, prospects, growth, strategies, and the industry in which the Company operates. By their nature, forward-looking statements involve risks and uncertainties, including, without limitation, the risks and uncertainties to be set forth in the prospectus, because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions you that forward looking statements are not guarantees of future performance and that its actual results of operations, financial condition and liquidity and the development of the industry in which the Company operates may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, even if the Company’s results of operations, financial condition and liquidity and the development of the industry in which the Company operates are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in future periods.

The information and opinions contained in this presentation are provided as at the date of this presentation and are subject to change without notice. No person is under any obligation to update or keep current the information contained herein.

By attending the presentation you agree to be bound by the foregoing limitations.

Conference Call Participants



Elena Vasilieva

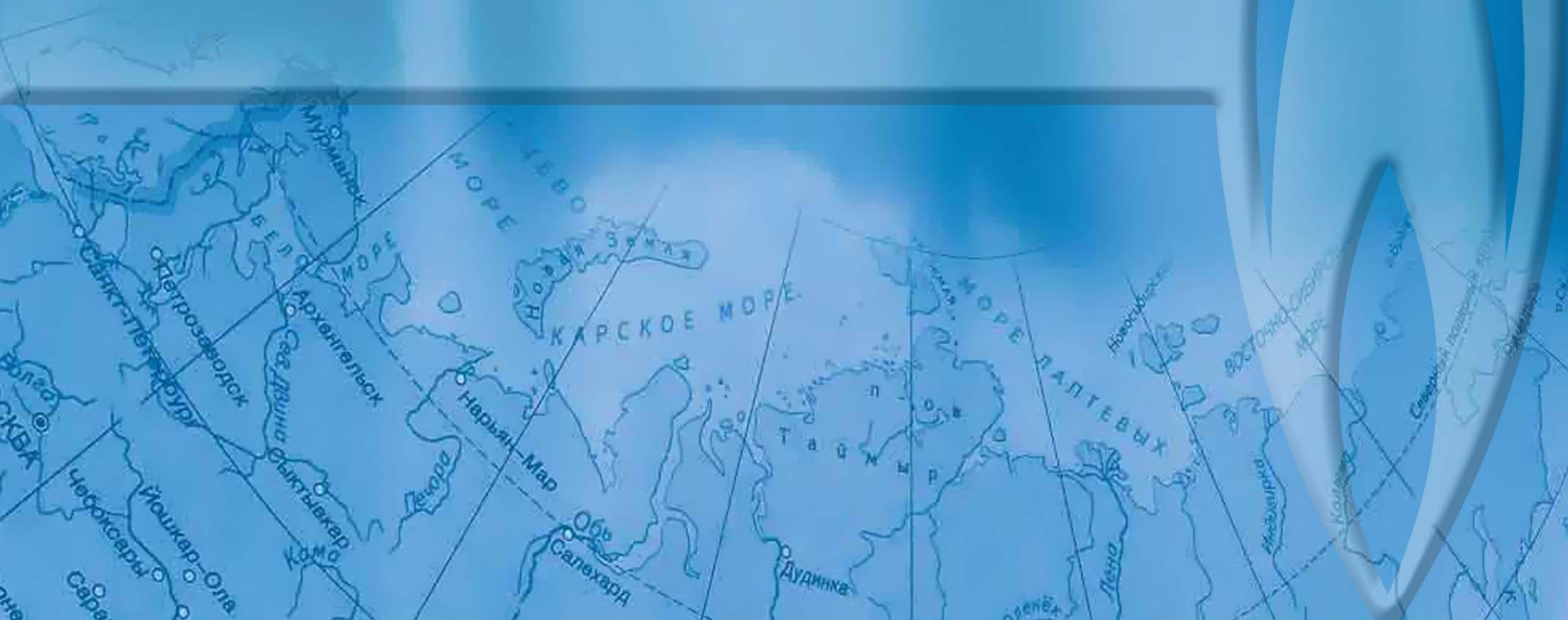
**Deputy Chairman of Management Committee
Chief Accountant**



Peter Bakaev

Head of Capital Markets

2008 Highlights



2008 Key Financial Highlights

- **Record Revenue** growth – **up 45%** compared to 2007
- **Adjusted EBITDA⁽¹⁾** increased by **64%** compared to 2007
- **Net Income⁽²⁾** increased by **13%** compared to 2007
- Leverage easing:
 - **Total debt** decreased by **10%** compared to 2007
 - **Total Debt / Adjusted EBITDA** dropped to **0,9x** in 2008 from **1,7x** in 2007

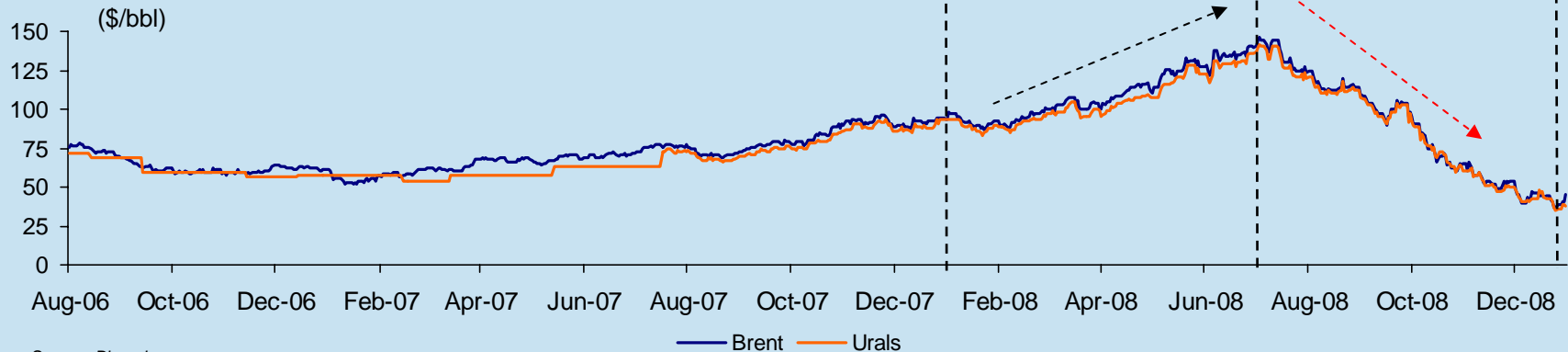
(1) Adjusted EBITDA calculated as operating profit plus depreciation and provisions for impairment of assets (includes provisions for impairment of accounts receivable and prepayments, assets under construction, investments and other long-term assets and inventory obsolescence) except provisions for impairment of accounts receivable and prepayments.

(2) Profit attributed to shareholders of Gazprom.

Recent Market Conditions

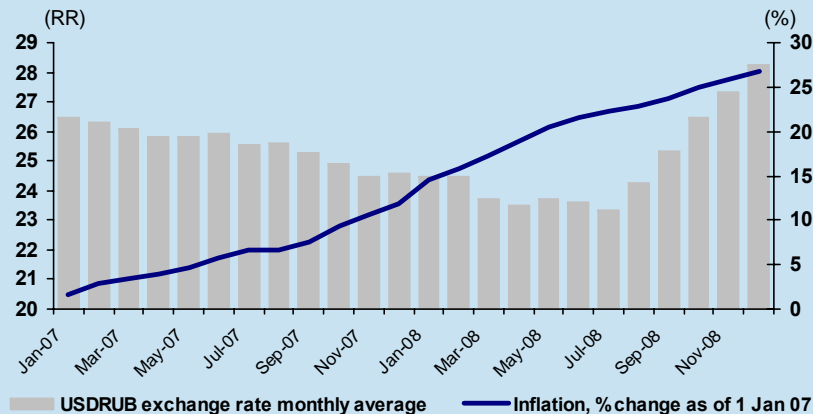
Extreme oil prices resulted in high gas prices

Crude price



Source: Bloomberg

Ruble appreciation/Depreciation and inflation

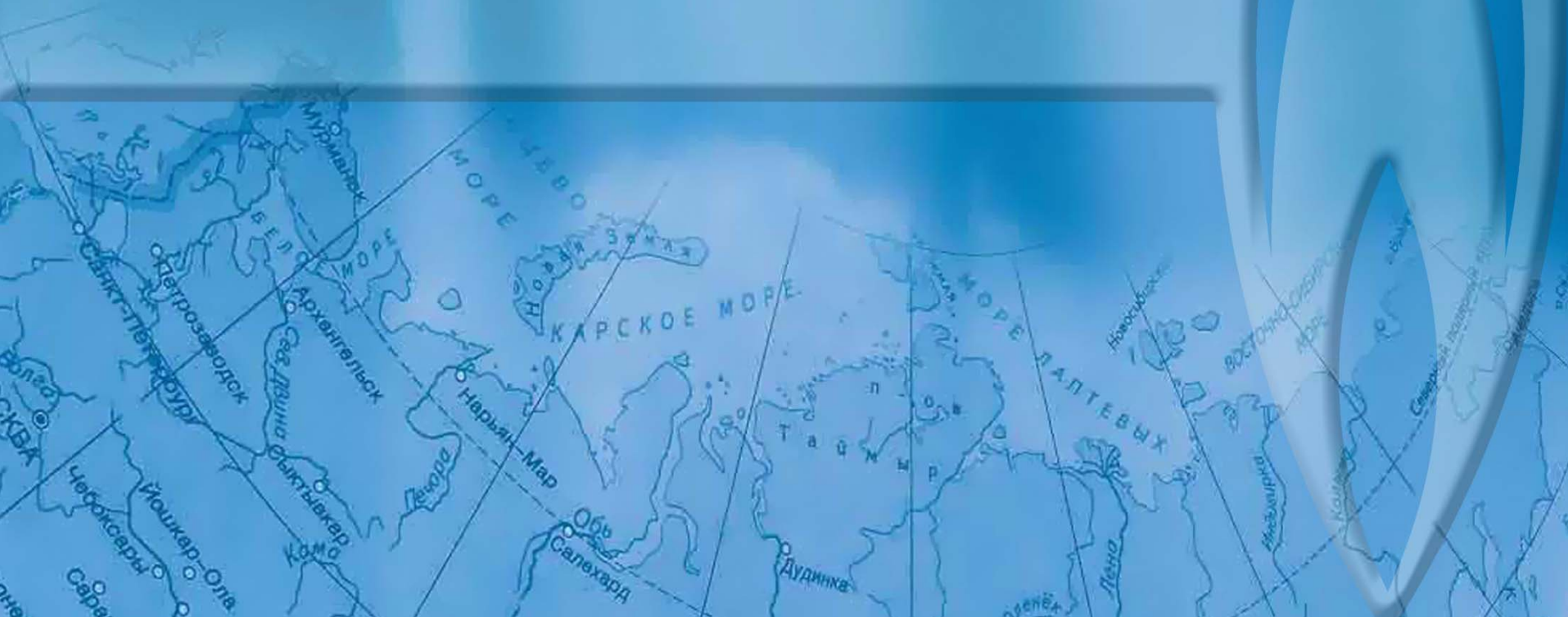


Source: Reuters, State Statistics Committee

Key macro factors

- Oil prices grew steadily in 1H08 reaching **\$146/bbl** in July 08
- In 1H08 **inflation** in Russia was 8.7%, while **oil prices** surged by more than 40%
- In 2H08 Russian exporters were able to benefit from 30% **ruble depreciation** vs USD

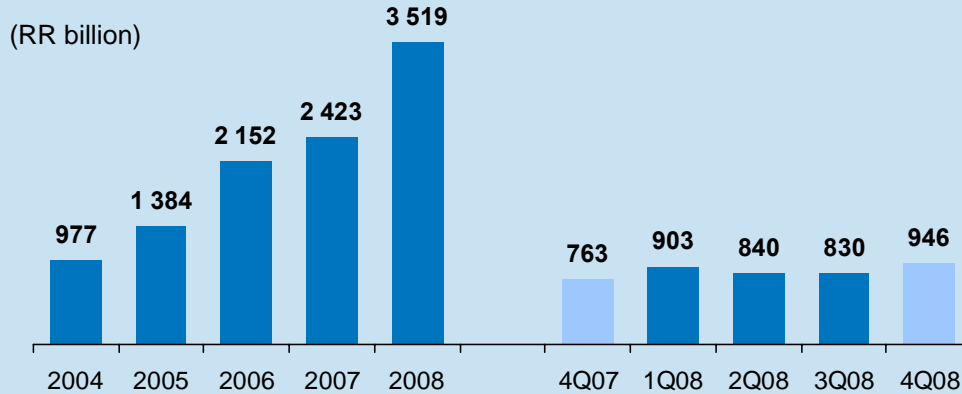
2008 Performance



Revenue

Record Growth of Revenue in 2008

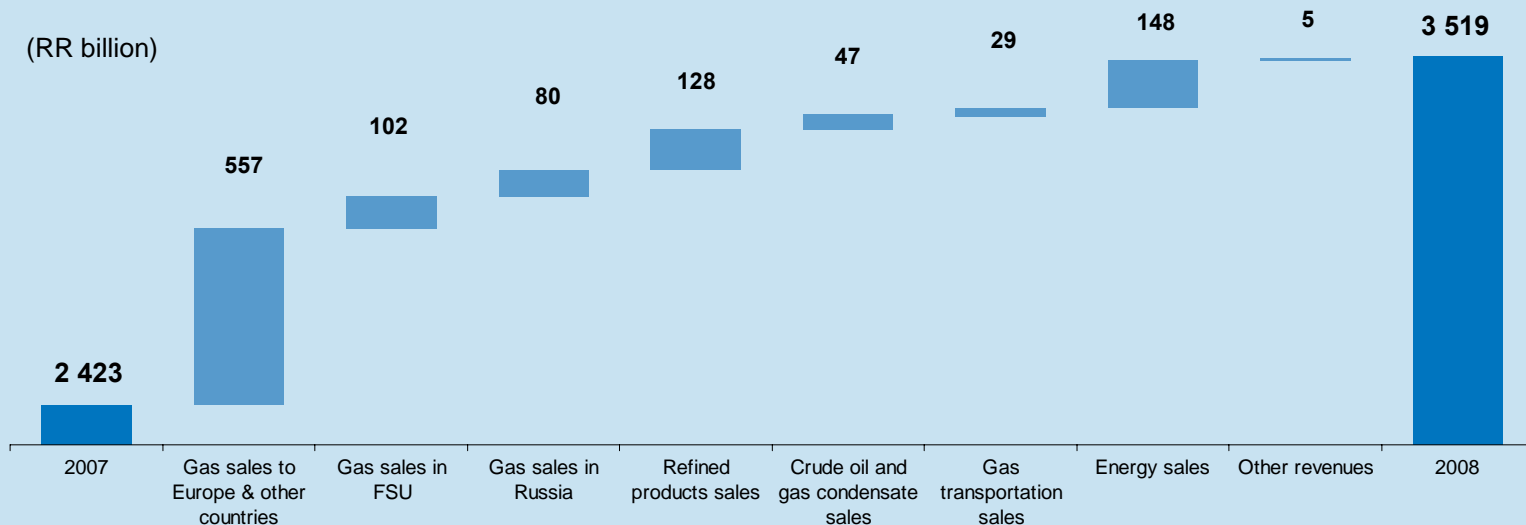
Net revenue



Net revenue growth in 2008 is due to

- gas prices growth
- refined products prices growth
- oil prices growth
- power energy assets consolidation
- transportation tariffs growth

Revenue reconciliation (Y-O-Y)

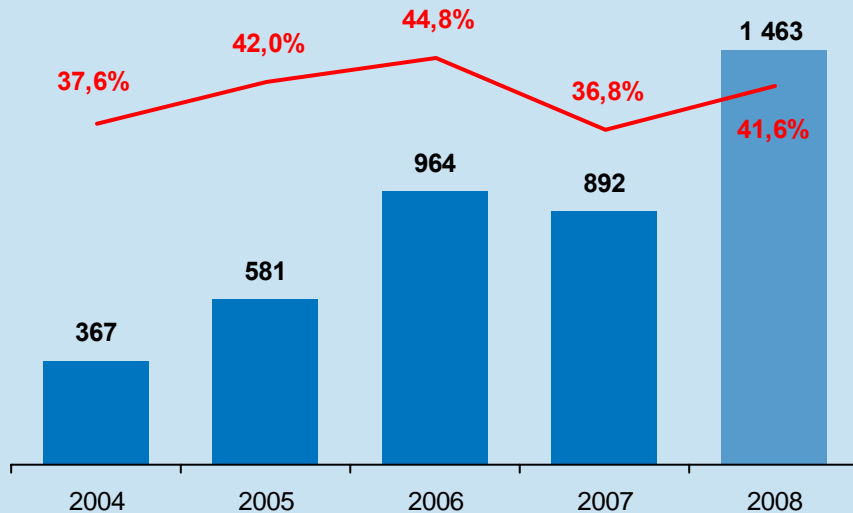


EBITDA and Net Profit

Maintaining Profitability

Adjusted EBITDA⁽¹⁾ and margin

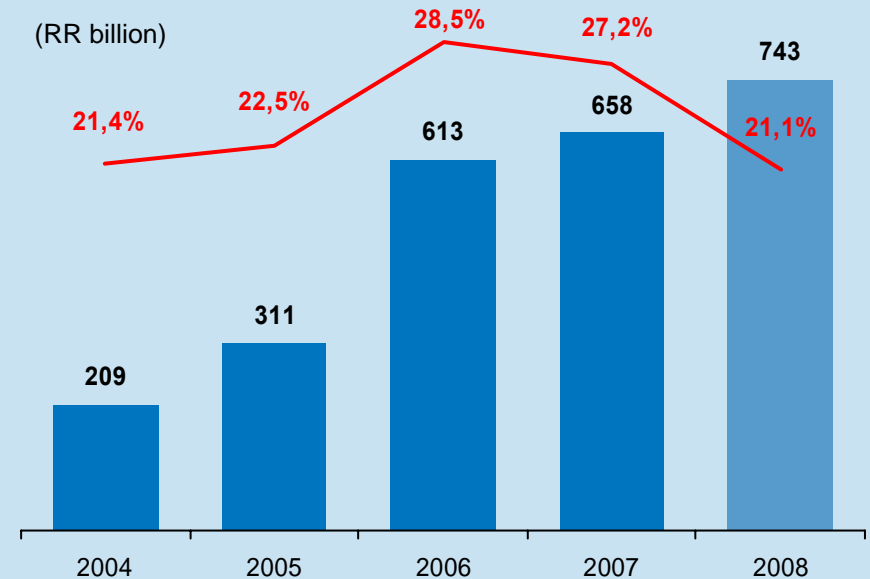
(RR billion)



- Adj. EBITDA grew by 64% in 2008 Y-o-Y
- Adj. EBITDA grew 4.0x in the last 5 years

Net profit and margin

(RR billion)

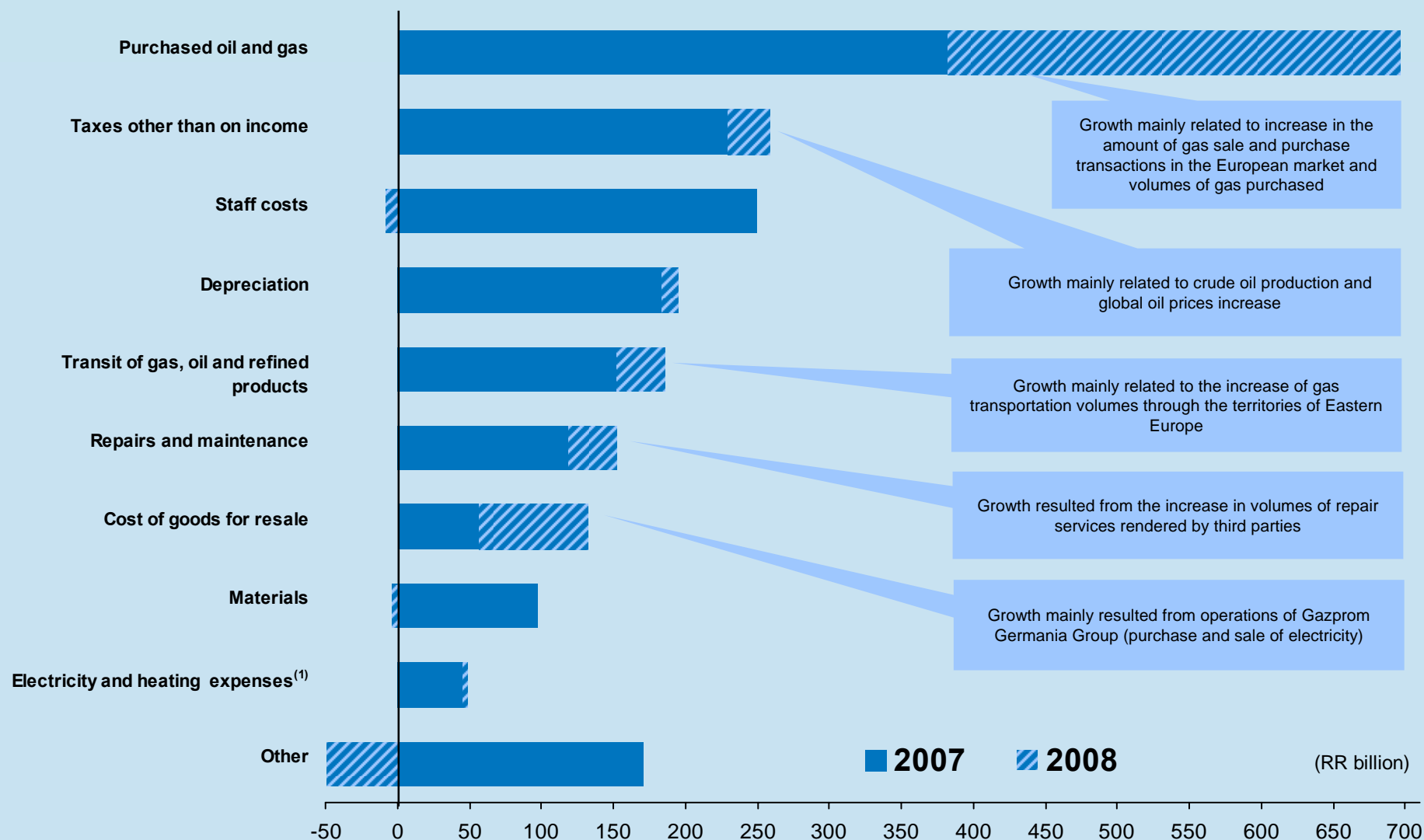


- Net profit grew by 13% in 2008 Y-o-Y
- Net profit grew 3.6x in the last 5 years

(1) EBITDA calculated as operating profit plus depreciation and impairment provisions for assets (includes impairment provisions of accounts receivable and prepayments, assets under construction, investments and other long-term assets and inventory obsolescence) except for impairment provisions for accounts receivable and prepayments.

Operating Expenses

Breakdown of Major Operating Expense Items – Y-o-Y Comparison



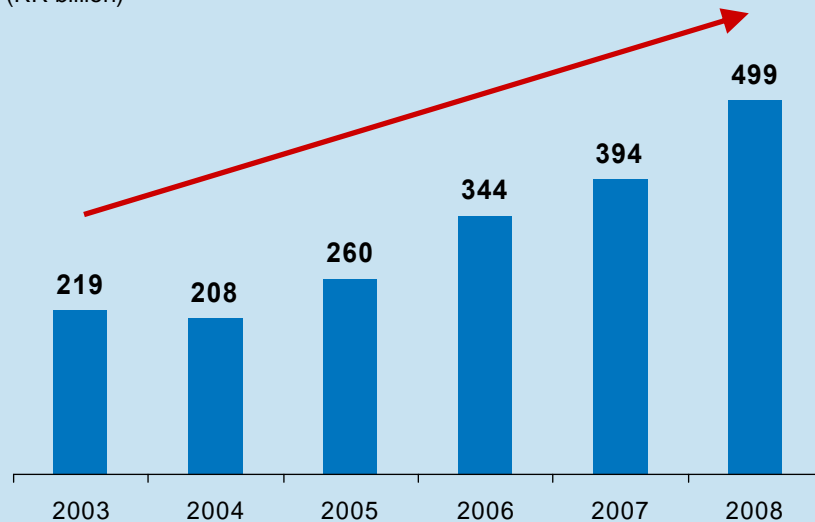
(1) Other include: social expenses, insurance expenses, rental expenses and other operating expenses.

Working Capital

Management of Accounts Receivable

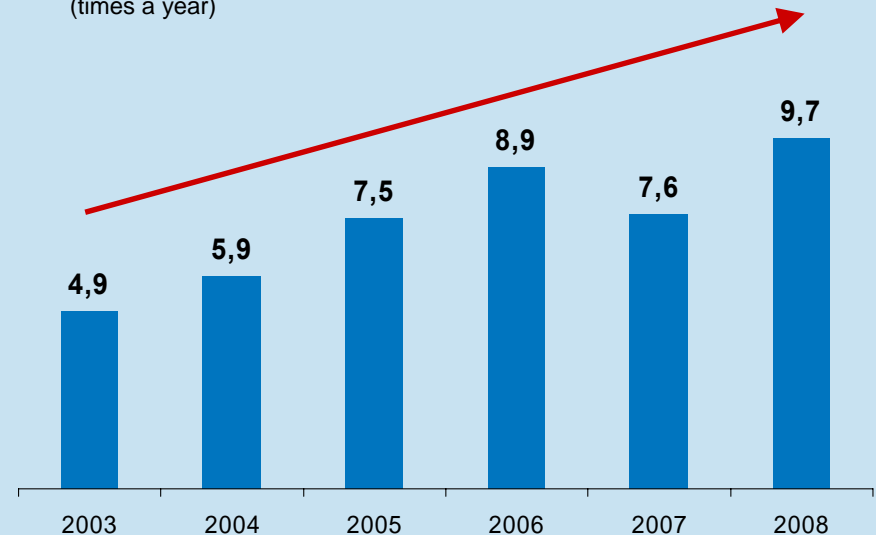
Trade receivables ⁽¹⁾

(RR billion)



Accounts receivable turnover

(times a year)



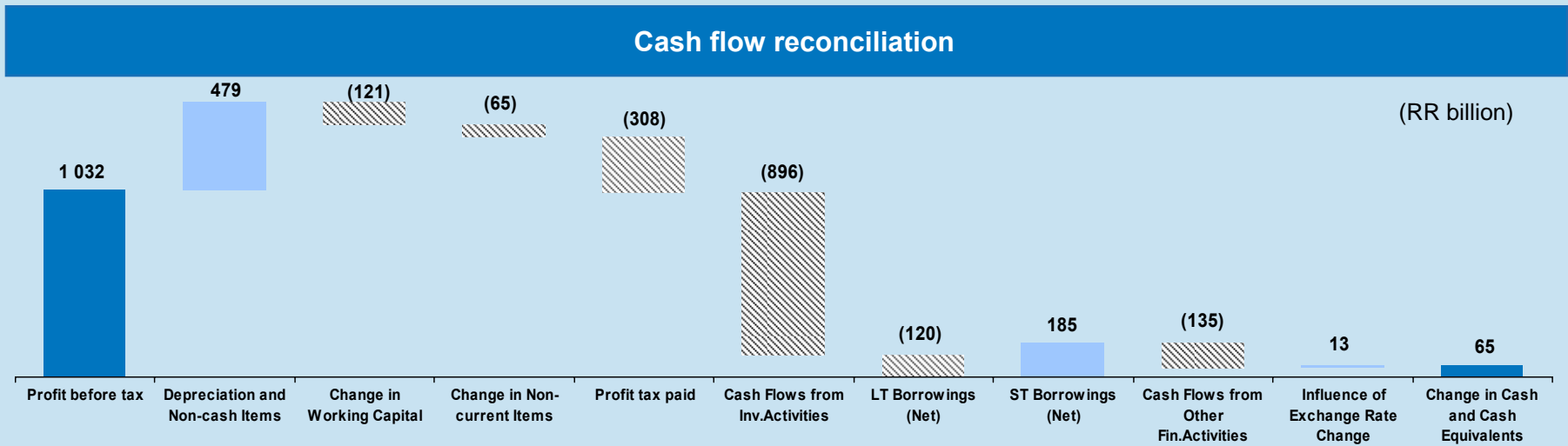
Improvement of receivable turnover and prevention of liquid funds freezing:

- Tightening of FSU payment discipline
- Prepayment for gas delivered to Russian consumers
- Gazprom's reduction of prepayments to suppliers and contractors

(1) Including bad debt provisions and long-term trade receivables.

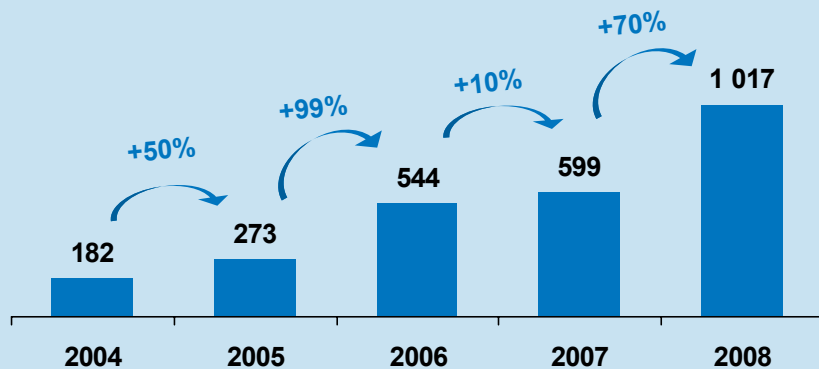
Operating Cash Flow

Increasing Cash Flow Generation



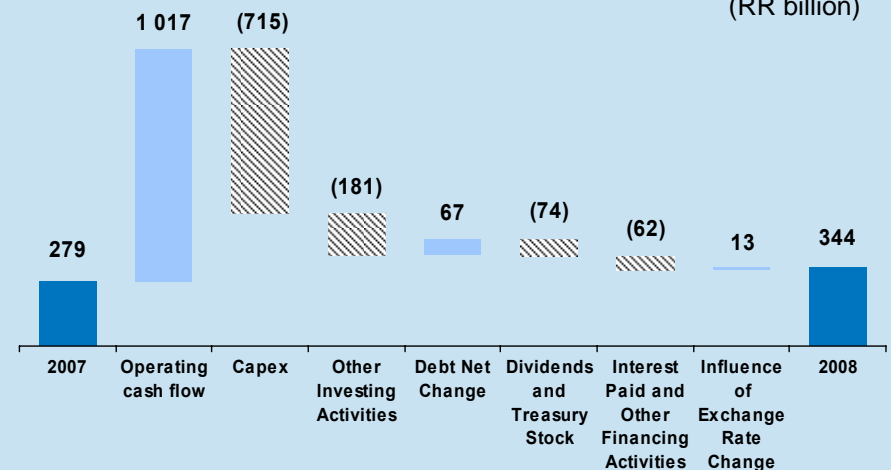
Operating cash flow

(RR billion)



Net cash flow

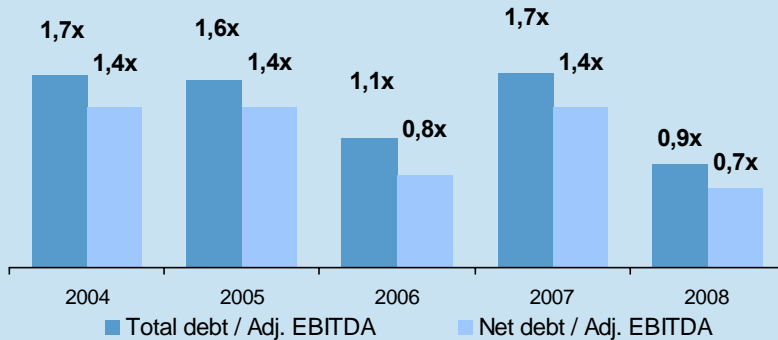
(RR billion)



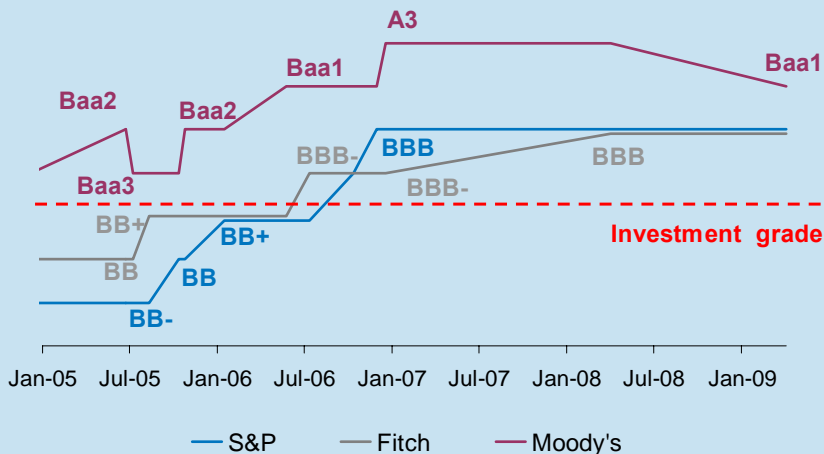
Debt Strategy

Leverage Under Control

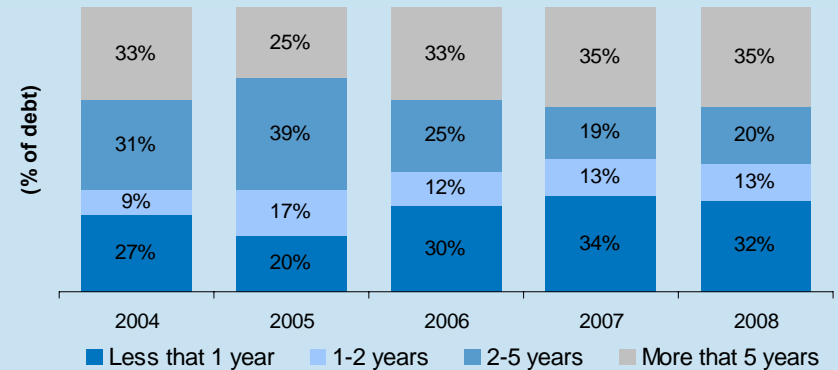
Credit metrics



Credit ratings



Debt maturity profile ⁽¹⁾



Funding facilities

- In 2009 we obtained **\$ 6.75 bln loans**
- In April 2009 we issued:
 - **\$2.25 bln Loan Participation Notes** (9.25% rate; maturity 2019)
 - **CHF 0.5 bln Loan Participation Notes** (9.0% rate; maturity 2011)
- In April 2009 we issued **RR 10.0 bln bonds** (16.7% rate; 2 years buy-back put option)

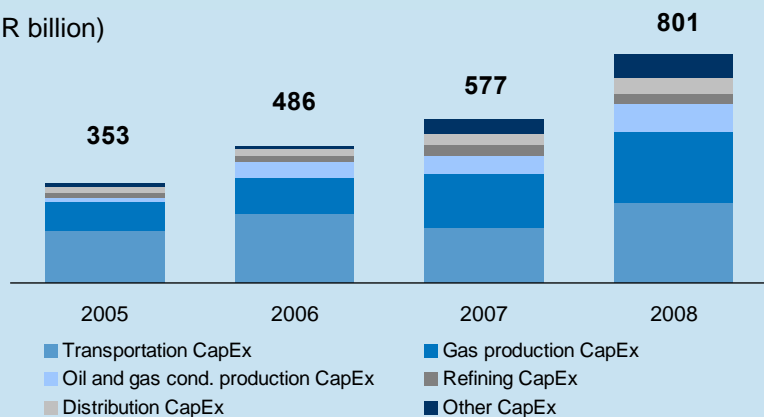
(1) Excluding promissory notes.

Investment Program

Growth Driver for Future Cash Flows

Gazprom Group CapEx

(RR billion)



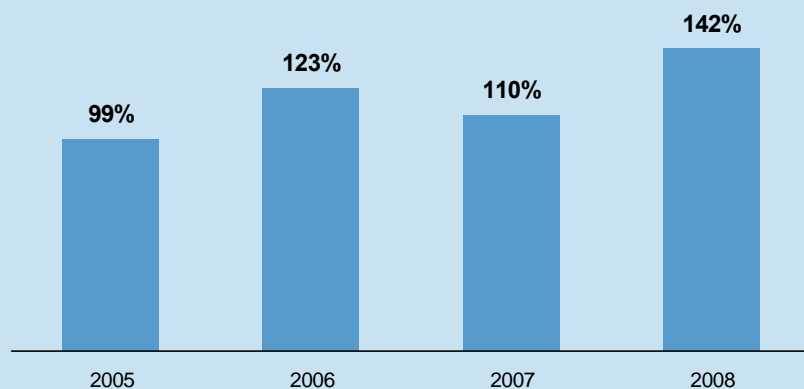
Priority projects for 2009

Production

- Zapolyarnoye field
- Yamal Peninsula
(Bovanenkovskoye field)
- Urengoiskoye field
- Severo-Kamennomisskoye field



Self funding (OpCF/Cash CapEx)

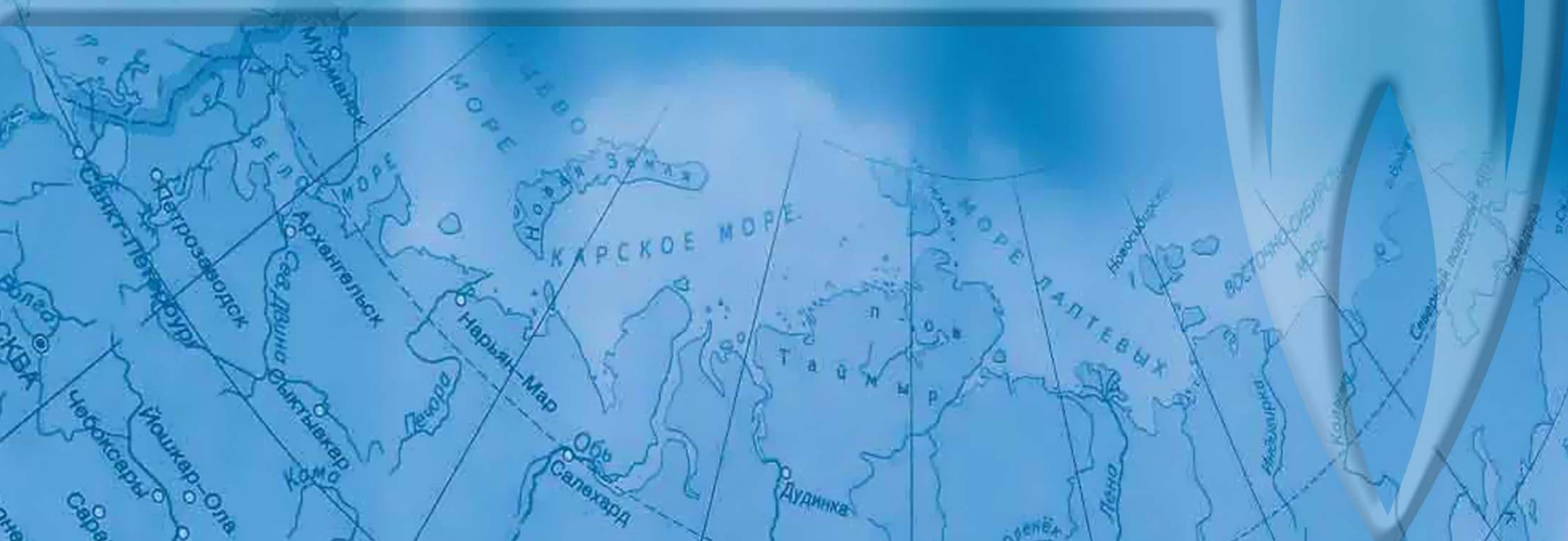


Transportation

- Nord Stream pipeline
- Pochinki-Gryazovets pipeline
- Yamal-Center pipeline
- Bovanenkovo-Ukhta pipeline
- Ukhta-Gryazovets pipelines



Operational Results and Segment Performance



Major Achievements of 2008 and Recent Developments

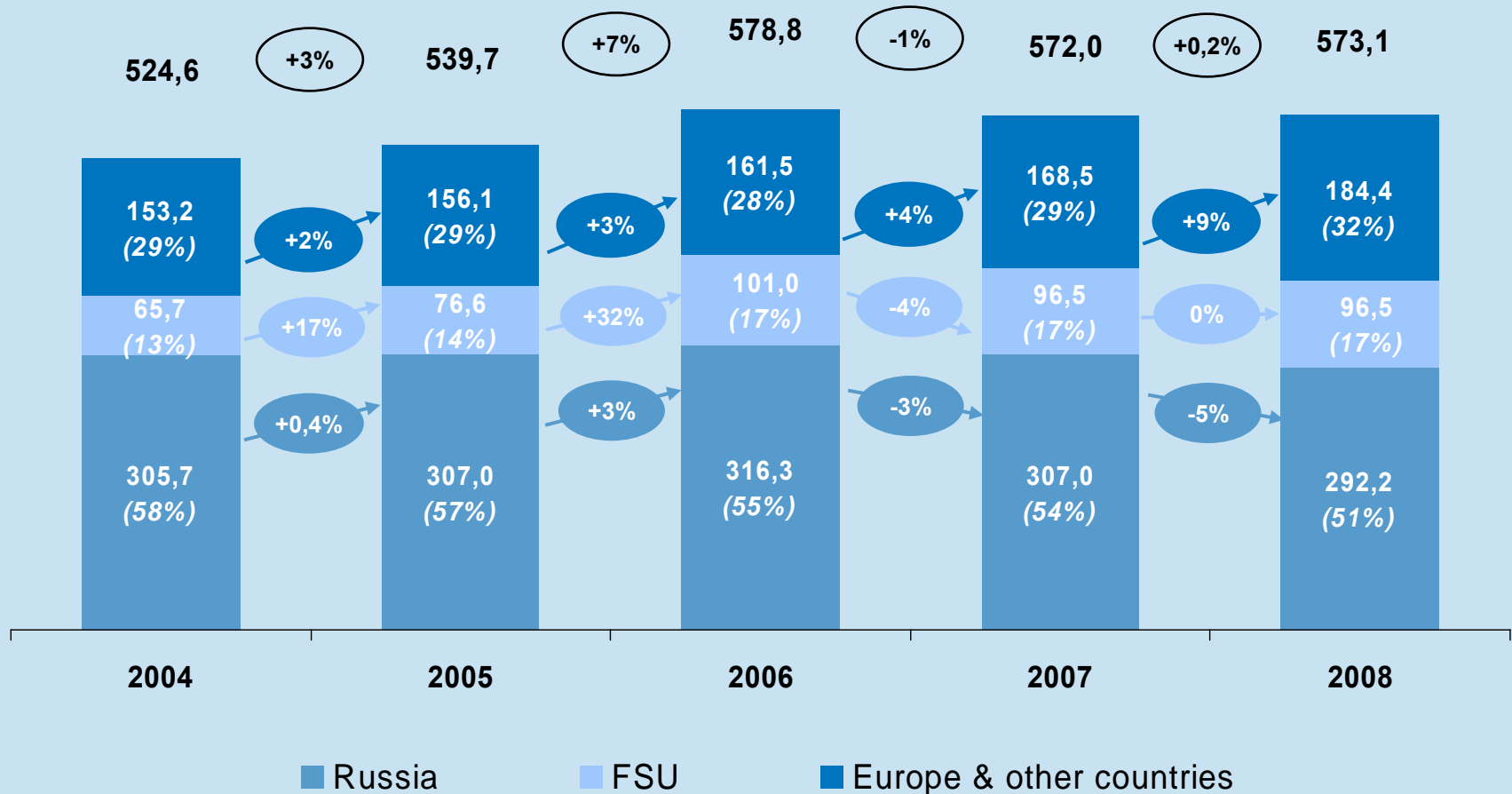


Operational Results

Demand Impacts Gas Sales Volumes

Gas sales volumes by markets

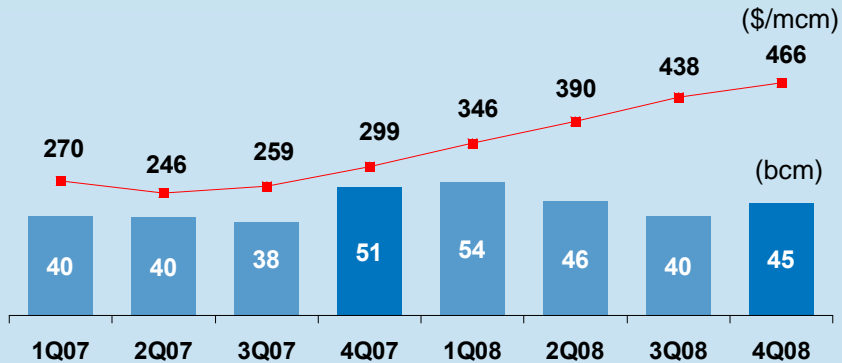
(Bcm)



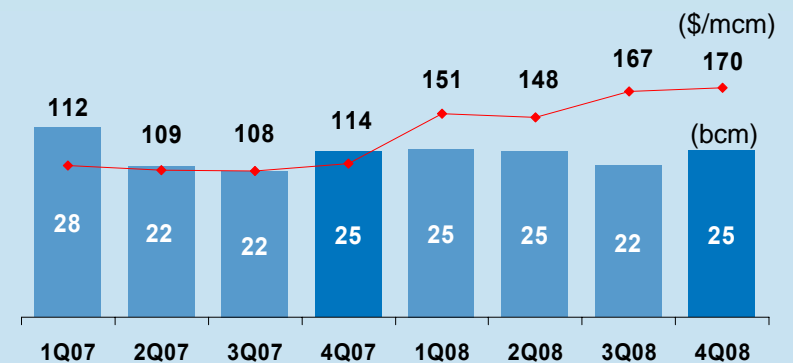
Export Markets

Key factor of 2008 Revenue Growth

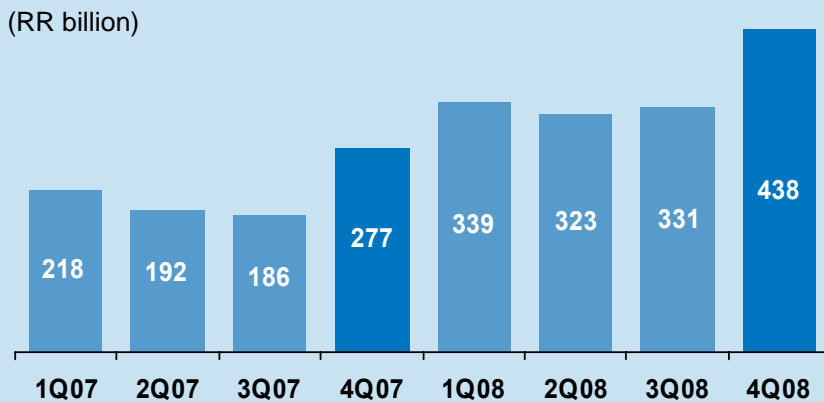
Gas prices and volumes in Europe & other countries



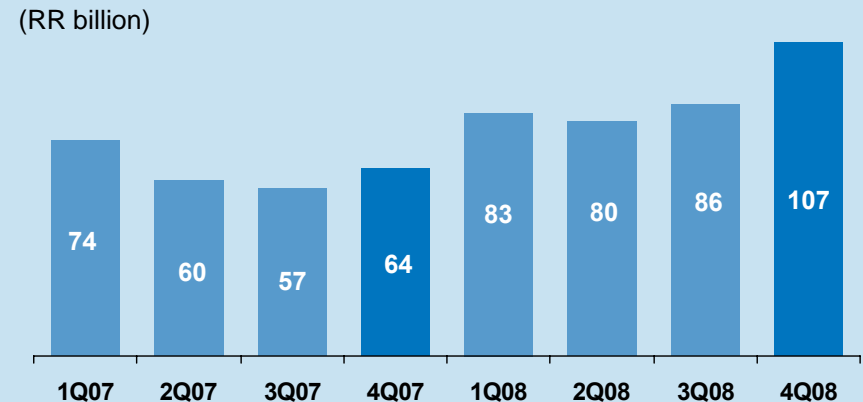
Gas prices and volumes in FSU



Net revenues from Europe & other countries



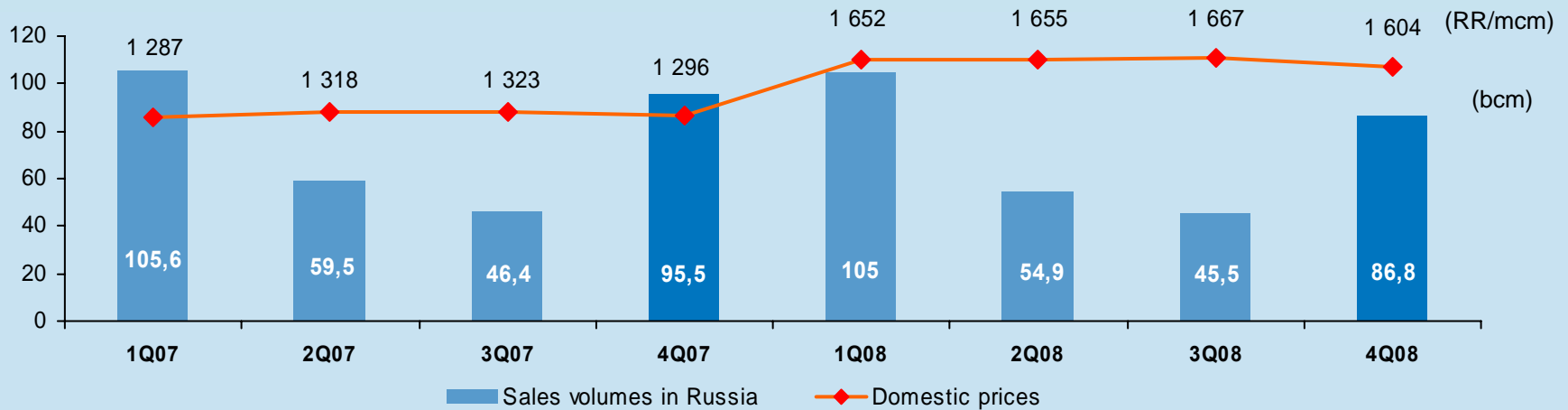
Net revenues from FSU



Domestic Market

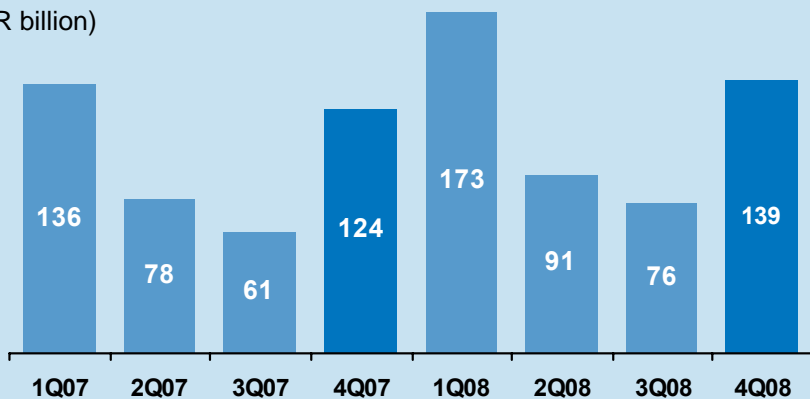
Key Future Value Driver

Gas prices and volumes

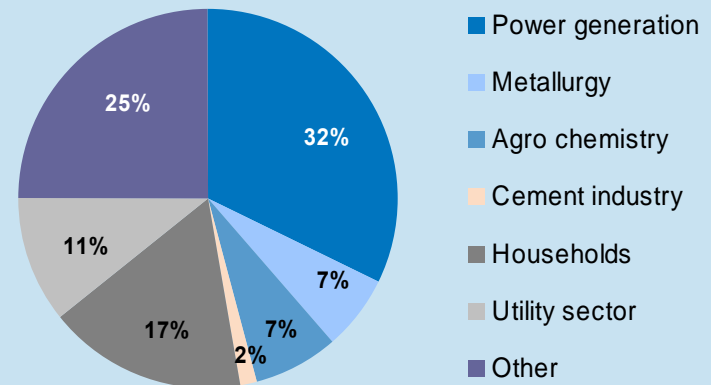


Net revenues

(RR billion)



Domestic gas sales by consumer type in 2008 ⁽¹⁾

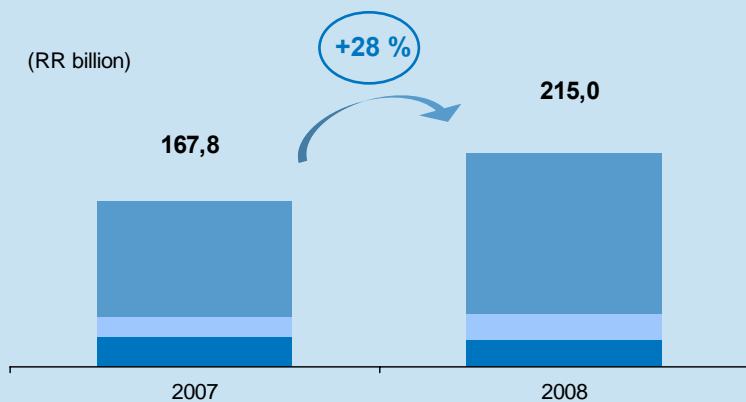
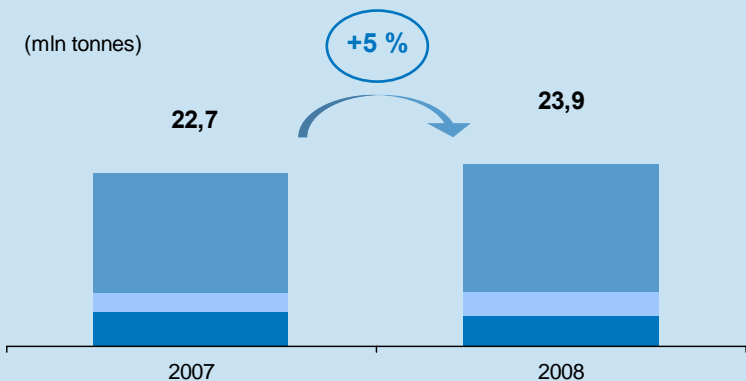


(1) Management estimates

Oil, Gas Condensate and Refined Products

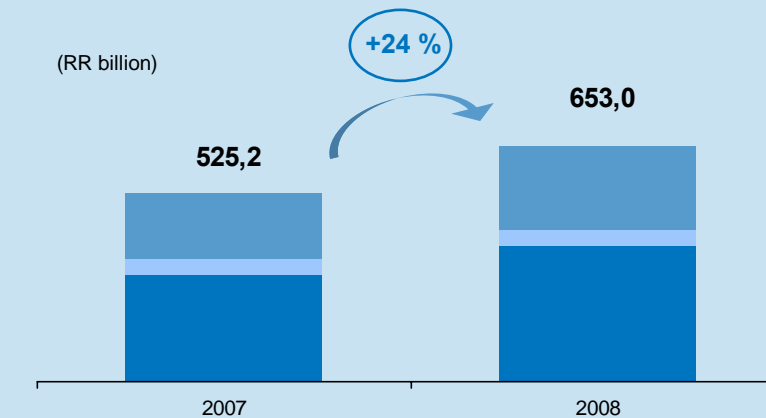
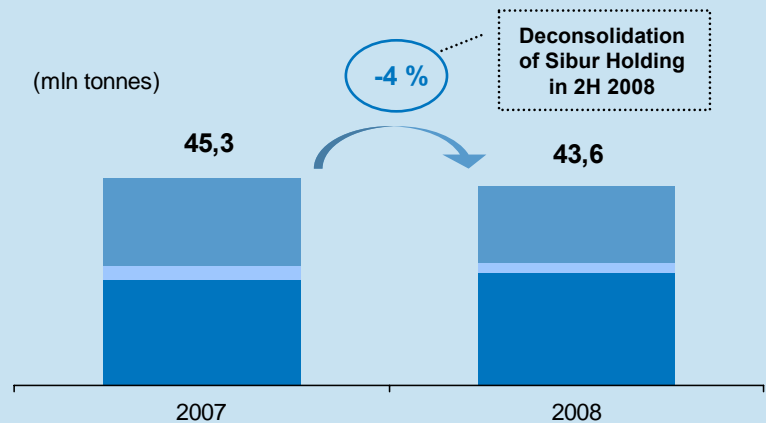
High Business Efficiency

Sales of crude oil and gas condensate



■ Russia ■ FSU ■ Europe & other countries

Sales of refined products



■ Russia ■ FSU ■ Europe & other countries

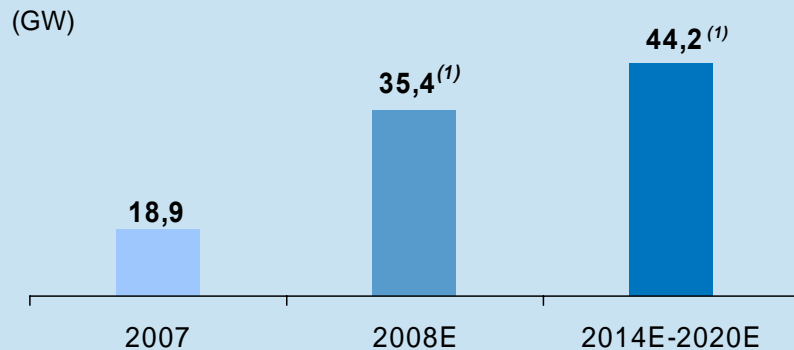
Power Generation

Expected Efficiency Growth

Rationale for energy business

- Liberalisation of electricity market
- Guaranteed and growing demand for electricity
- Further vertical integration:
 - Consolidation of Mosenergo, OGK-2 and OGK-6
 - Advance payment for 17,7% of TGC-1

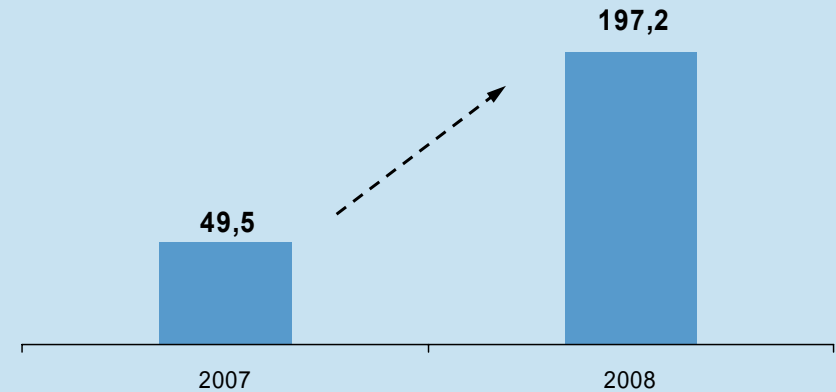
Generation capacity under control



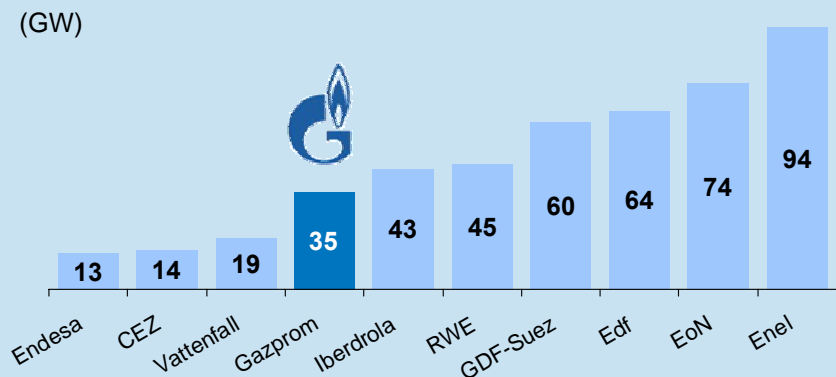
(1) OGC-2, OGC-6, Mosenergo, TGC-1.

Net revenues

(RR million)



Installed capacity compared to European peers



Conclusions & Expectations

We expect 2009 results to be rather modest

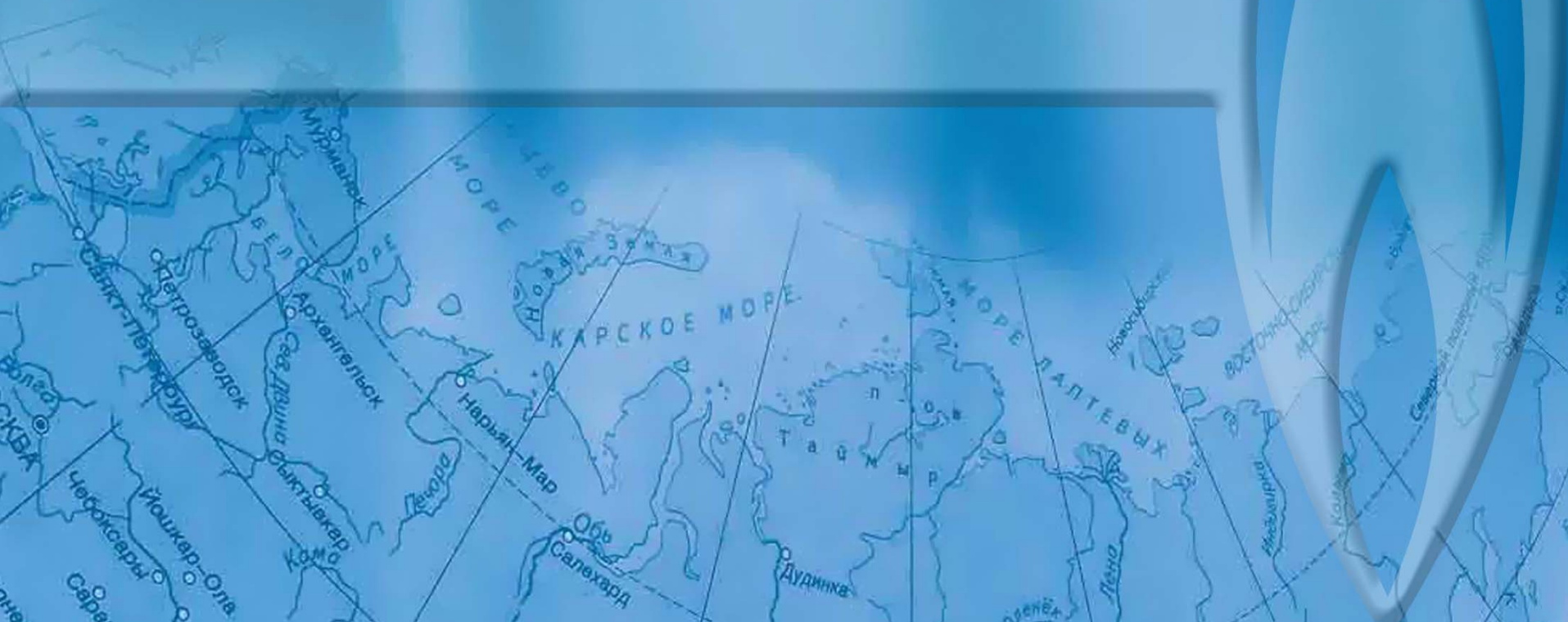
World economies
slowdown

Decline in global
energy demand

Significant drop in
oil prices

-
- **Reduction of our production volumes**
 - **Decrease of our domestic and export sales volumes**
 - **Our price and revenue expectations to be more comparable with 2007**

Summary Financial Statements



Balance Sheet

Balance Sheet, RR million	2007	2008	Change, RR million	Change, +/(-)%
Total current assets, of which	1 566 417	1 572 075	5 658	0%
Cash and cash equivalents and restricted cash	291 134	347 580	56 446	19%
Accounts receivable and prepayments	697 464	675 934	(21 530)	-3%
Total long-term assets, of which	5 226 139	5 596 493	370 354	7%
Property, plant and equipment	3 490 477	4 020 522	530 045	15%
Investments in associated undertakings and jointly controlled entities	670 403	772 143	101 740	15%
Total assets	6 792 556	7 168 568	376 012	6%
Total current liabilities, of which	1 084 554	964 845	(119 709)	-11%
Taxes payable	23 033	6 774	(16 259)	-71%
Short-term interest bearing debt ⁽¹⁾	525 525	440 692	(84 833)	-16%
Total long-term liabilities, of which	1 394 905	1 290 624	(104 281)	-7%
Long-term interest bearing debt ⁽²⁾	985 141	925 072	(60 069)	-6%
Total liabilities	2 479 459	2 255 469	(223 990)	-9%
Total liabilities and equity	6 792 556	7 168 568	376 012	6%

(1) Short-term interest bearing debt: short-term borrowings and current portion of long-term debt, short-term promissory notes payable.

(2) Long-term interest bearing debt: long-term borrowings, long-term promissory notes payable, restructured tax liabilities.

Financial Results – Income Statement

Statement of Income, RR million	2007	2008	Change, +/-%
Sales	2 423 245	3 518 960	45%
Operating expenses	(1 713 759)	(2 159 690)	26%
Reserves for impairment of assets and other reserves	(7 708)	(98 964)	1184%
Operating profit / EBIT	701 778	1 260 306	80%
Gain from sale of interest in subsidiary	50 853	-	
Gain (loss) from change in fair value of call option	50 738	(50 738)	-200%
Deconsolidation of NPF Gazfund	44 692	-	
Finance income	159 380	165 603	4%
Finance expenses	(132 573)	(341 179)	157%
Share of net income (loss) of associated undertakings and jointly controlled entities	24 234	(16 686)	-169%
Gain on available-for-sale financial assets	25 102	14 326	-43%
Profit before profit tax	924 204	1 031 632	12%
Current profit tax expense	(218 266)	(307 094)	41%
Deferred profit tax expense	(10 953)	46 842	-528%
Profit tax expense	(229 219)	(260 252)	14%
Shareholders' profit (1)	658 038	742 928	13%

(1) Excluding minority interest.

Cash Flow Statement

Cash flow from Operating activities, RR million	2007	2008	Change, +/-(-)%
Profit before tax	924 204	1 031 632	12%
Depreciation	183 577	195 016	6%
Net unrealized foreign exchange losses (gains)	(27 338)	162 523	-694%
Interest expense	76 975	59 910	-22%
Working capital changes	32 492	(120 706)	-471%
Profit tax	(194 037)	(308 772)	59%
Net cash provided by operating activities	598 508	1 016 551	70%
Investing Activities, RR million			
Capex	(543 420)	(714 714)	32%
Others	(348 821)	(180 884)	-48%
Net cash used for investing activities	(892 241)	(895 598)	0%
Financing Activities, RR million			
Long-term financing and loans, net	460 275	(119 570)	-126%
Interest paid	(74 152)	(55 225)	-26%
Net cash (used for) provided by financing activities	309 706	(68 893)	-122%
Cash and cash equivalents at the beginning of reporting period	269 224	279 109	4%
Cash and cash equivalents at the end of reporting period	279 109	343 833	23%