

# Capital investments

## CAPITAL INVESTMENTS // RUB mn

	2014	2015	Change, %
Exploration and production	192,739	255,235	32.4
Subsidiaries	178,330	239,199	34.1
Proportionately consolidated companies	14,409	16,036	11.3
Oil refining	26,765	31,552	17.9
Marketing and sales	13,576	13,547	(0.2)
Other	10,731	13,317	24.1
Capital investments subtotal	243,811	313,651	28.6
Changes in the amount of advances issued and capital construction materials	27,519	35,385	28.6
<b>TOTAL CAPITAL INVESTMENTS</b>	<b>271,330</b>	<b>349,036</b>	<b>28.6</b>

Source: Company data

The 32.4% year-on-year growth in capital investments in the exploration and production segment resulted from the following factors:

- the active construction of major infrastructure facilities at the Novoportovskoye field;
- capital expenditures on the Prirazlomnoye field in connection with the consolidation of the asset in November 2014;
- the implementation of a geological exploration and exploration drilling programme at projects in Iraq;
- the acquisition of new licenses in the Orenburg Region and West Siberia;
- drilling at the Priobskoye field;
- the construction of gas utilisation facilities at fixed assets and in the Orenburg Region.

# Debt and liquidity

	31 December 2014	31 December 2015
Short-term credits and loans	61,121	147,319
Long-term credits and loans	502,306	670,779
Cash and cash equivalents	(53,167)	(114,198)
Short-term deposits	(76,658)	(49,206)
Net debt	433,602	654,694
Short-term loans and credits / Total debt, %	10.8	18.0
Ratio of net debt to EBITDA in annual terms	1.44	1.90

Source: Company data

The Group's loan portfolio is diversified and includes syndicated and bilateral loans, bonds and other instruments.

The average debt repayment period decreased from 4.49 years as of 31 December 2014 to 3.50 years as of 31 December 2015.

The average interest rate increased from 3.48% as of 31 December 2014 to 4.38% as of 31 December 2015.

Major independent Chinese rating agency Dagong Global Credit Rating Company Limited assigned Gazprom Neft a high credit rating of 'AA-' for obligations in Russian currency with a stable outlook.