

Key financial results

KEY FINANCIAL RESULTS // RUB mn

	2014	2015	Change, %
SALES (REVENUE INCLUDING DUTIES)¹	1,690,557	1,655,775	(2.1)
<i>Minus: export duties and excise taxes²</i>	(282,319)	(187,832)	(33.5)
TOTAL SALES REVENUE	1,408,238	1,467,943	4.2
EXPENSES AND OTHER COSTS			
Acquisition cost of oil, gas and petroleum products	(382,505)	(345,909)	(9.6)
Production and operating expenses	(171,711)	(214,267)	24.8
Selling, general business and administrative expenses	(86,318)	(100,176)	16.1
Transportation expenses	(116,125)	(133,320)	14.8
Depreciation, depletion and amortisation	(85,951)	(98,501)	14.6
Taxes, except profit tax	(343,576)	(353,145)	2.8
Expenses on geological exploration	(936)	(922)	(1.5)
TOTAL OPERATING EXPENSES	(1,187,122)	(1,246,240)	5.0
Other expenses	(8,471)	(14,088)	66.3
OPERATING PROFIT	212,645	207,615	(2.4)
Share of profit / (loss) of associated and joint venture companies	(6,306)	24,956	-
Net foreign exchange loss	(52,265)	(67,910)	29.9
Financial income	7,075	14,732	108.2
Financial expenses	(15,279)	(33,943)	122.2
TOTAL OTHER EXPENSES	(66,775)	(62,165)	(6.9)
PROFIT BEFORE TAX	145,870	145,450	(0.3)
Current profit tax expenses	(17,518)	(38,026)	117.1
Deferred profit tax income / (expenses)	(1,696)	8,774	-
TOTAL PROFIT TAX EXPENSES	(19,214)	(29,252)	52.2
PROFIT FOR PERIOD	126,656	116,198	(8.3)
<i>Minus: profit attributable to non-controlling interest</i>	(4,563)	(6,537)	43.3
PROFIT ATTRIBUTABLE TO GAZPROM NEFT PJSC SHAREHOLDERS	122,093	109,661	(10.2)
Net profit margin	8.99%	7.92%	1.1 p.p.
ADJUSTED EBITDA	342,614	404,811	18.2
RUB/TOE	5,172	5,079	(1.8)
USD/BOE	18.27	11.21	(38.6)
Adjusted EBITDA margin	24.3%	27.6%	3.2 p.p.
NET DEBT	433,602	654,694	51.0

The decline in oil and petroleum product prices on global markets was held in check by growth in sales volume and prices on the Russian market, which only resulted in a 2.1% decrease in revenue taking into account duties.

Growth in hydrocarbon production and management's actions to optimise the volume of refining and the output structure not only compensated for the negative impact of the major tax manoeuvre (introduced at the start of 2015), but also ensured an 18.2% increase in adjusted EBITDA.

The decrease in net profit attributable to Gazprom Neft PJSC shareholders (-10.2%) compared with the growth in EBITDA (+18.2%) resulted from the negative impact of foreign exchange differences from the revaluation of loans and credits, an increase in depreciation charges as a result of the investment programme, the creation of asset impairment provisions and growth in financial expenses due to increased borrowing costs in the Russian Federation.

¹ Revenue including duties (sales) includes revenue taking into account export duties and excise taxes calculated based on the volume of commercial production.

² Bincludes the excise tax calculated based on the volume of petroleum products sold by the Serbian subsidiary.