



# SALES

## STRATEGIC GOALS

KPI for 2025

# 100%

VOLUME OF PRODUCTS MANUFACTURED AT THE COMPANY'S RUSSIAN OIL REFINERIES SOLD VIA ITS HIGH-MARGIN SALES CHANNELS

The Company has two main sales segments: the sale of motor fuels via the Gazpromneft filling station network and small-scale wholesale channels as well as the sale of petroleum products to industrial consumers. Specialized goals have been set for each segment. The target scale of Gazprom Neft's sales business should ensure the ability to sell 100% of the petroleum products it manufactures on the market via its own sales channels for maximum coverage of the entire value chain in the oil business.

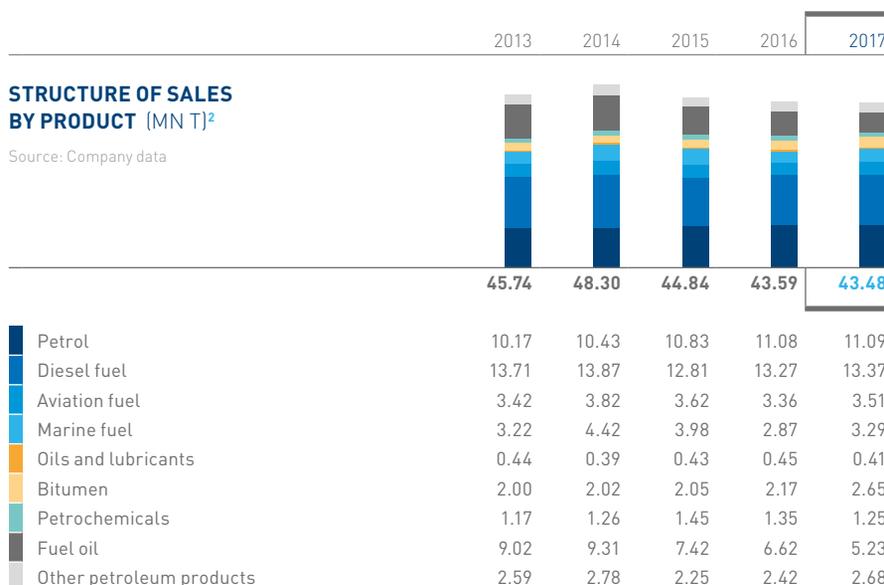
## RESULTS OF 2017

### SALE OF OIL AND PETROLEUM PRODUCTS

Oil sales increased by 16.8% in 2017 due to an increase in exports and international oil sales<sup>1</sup>. Exports to non-CIS countries increased by 41.1% compared with 2016. Gas sales grew by 7.8% to 14.43 billion m<sup>3</sup>.

The decrease in oil sales on the domestic market in 2017 is primarily the result of the diminished economic efficiency of trading operations.

The Company sold 43.48 million tonnes of petroleum products in 2017, a 0.3% decrease from the previous year. This is above all attributable to a decrease in fuel oil exports to non-CIS countries due to a reduction in its production volume. Petroleum product sales on the Russian market in 2017 exceeded the 2016 level by 3.1%. Sales increased for the entire range of petroleum products, except for marine fuel and petrochemical products.



1 — Sales by foreign subsidiaries of Gazprom Neft subsidiaries.  
 2 — Data changed taking into account adjustments to international sales (sales by NIS) that were previously included in the 'Other petroleum products' line.

Premium sales<sup>3</sup> increased by 3.9% in the reporting period to 26.1 million tonnes. The Company's success in developing premium sales channels and expanding the geography of supplies and the range of its premium products made it possible to increase its share at the end of the year on the retail markets of most petroleum products, including the markets for motor fuels, aviation kerosene, lubricants, and premium bitumen materials.



## SALES OF MOTOR FUELS

### STRATEGIC GOALS

KPI for 2025

# 19.6

MN T

VOLUME OF MOTOR FUEL SALES IN RUSSIA AND CIS COUNTRIES

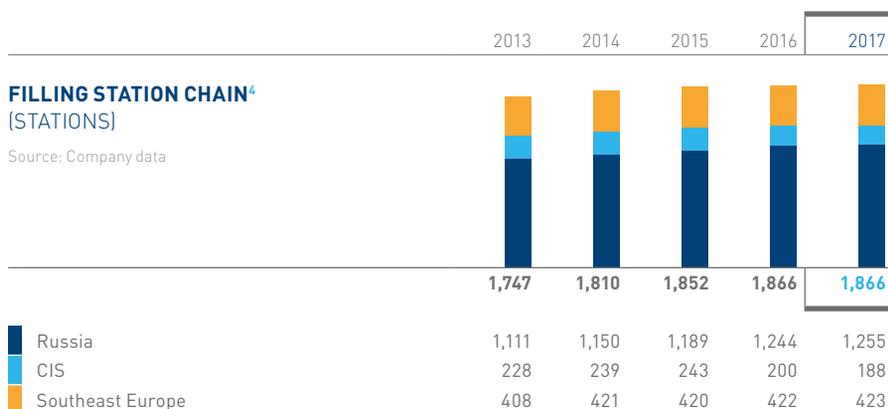
# 1,650

NUMBER OF RETAIL NETWORK STATIONS IN RUSSIA AND CIS COUNTRIES

Gazprom Neft PJSC plans to increase the total volume of motor fuel sales in Russia and CIS countries by 2025 primarily due to growth in the retail sales channel. To this end, the Company plans to increase its filling station network in Russia and CIS countries.

### MILESTONES OF 2017

- Retail motor fuel sales in Russia and the CIS increased by 6%
- Average daily sales at 1 filling station in the Russian Federation exceeded 20 tonnes per day
- New branded petrol is available on the market – G Drive 100, Opti 92 and Opti 95. The active promotion of Diesel Opti fuel has begun on regional markets



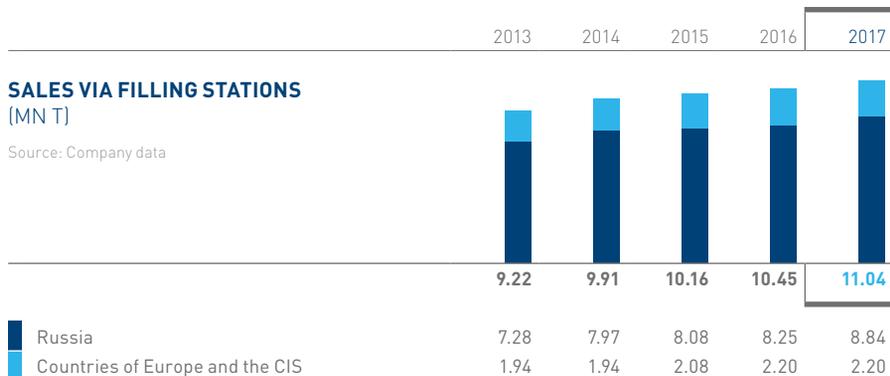
One of the key areas of the Company's activities is the development of the small-scale wholesale and retail segment of petroleum product sales. Having its own national brand as well as a high level of awareness and trust in the quality of its product helps Gazprom Neft achieve one of its strategic goals of joining the leaders in Russia and the CIS in terms of the volume of retail sales and efficiency of the filling station network by 2025.

In Russia, the Company has one of the largest and most geographically diversified sales networks on the retail petrol market – filling stations under the Gazprom Neft brand are represented in 40 regions of the Russian Federation.

<sup>3</sup> Premium sales:

- sales of petroleum products via premium distribution channels for retail and small-scale wholesale. This group includes all petroleum product sales via filling stations and petroleum storage depots as well as wet wing aircraft fuelling, ship fuelling and small-scale wholesale from refuelling complexes at airports and port terminals;
- sales of packaged petroleum products. This group covers all sales of oils in barrels and cans as well as bitumen sales in clovertainers, among other sales;
- sales of premium petroleum products, i.e. petroleum products that generate added value due to the presence of certain qualitative features compared with other products of their kind. This group includes the sale of premium bulk lubricants (Gazpromneft, G-Family, Texaco), premium bitumen materials (polymer-bitumen binders, PMB, bituminous emulsions, etc.) and the possible wholesale of premium motor fuels – G-Drive, etc.

<sup>4</sup> Prior to 2015, the Company did not have a franchise network of filling stations. Data includes franchises starting from 2016.



The Company sold 8.84 million tonnes of fuel via its own filling stations in 2017.

The Company increased sales of premium branded fuel at its own filling stations by 4% in 2017.

The total volume of branded fuel sales in Russia and CIS countries amounted to 711,000 tonnes last year, or 7.4% of total motor fuel retail sales.

## PETROLEUM PRODUCT SALES TO INDUSTRIAL CONSUMERS

### STRATEGIC GOALS

#### KPI for 2025

The Company plans to further increase sales, expand its market share, release new products on the market, and develop its sales capacity.

# 5.5

**MN T**

SALES OF AVIATION FUEL IN RUSSIA AND ON THE GLOBAL MARKET

# 2.7

**MN T**

SALES OF MARINE FUEL IN RUSSIA AND ON THE GLOBAL MARKET

# 2.3

**MN T**

SALES OF BITUMEN IN RUSSIA AND ON THE GLOBAL MARKET

# 1.38

**MN T**

SALES OF PETROCHEMICAL PRODUCTS IN RUSSIA AND ON THE GLOBAL MARKET

# 1.02

**MN T**

SALES OF OILS AND LUBRICANTS IN RUSSIA AND ON THE GLOBAL MARKET

### MILESTONES OF 2017

- The total number of airports in the aviation fuel sales network grew to 249
- The International Aviation Fuel Forum was held in Russia for the first time in partnership with the IATA
- Gazprom Neft was the first Russian vertically integrated oil companies to launch production of the eco-friendly marine fuel TAS-80 with sulphur content of <0.1% and oils under the Gazpromneft Drilline brand, which is used as a synthetic basis for drilling fluids
- A line of marine oils under the Gazpromneft Ocean brand was introduced on the Russian and international markets
- The number of G-Energy Service branded service stations grew to 120
- Total bitumen sales increased by 22%

The retail aviation fuel market in Russia grew by 7.4% in 2017. Gazprom Neft remains the leader on this market with a share of 25.6%. The Company's share on the Russian bunkering market totalled 16.6% in 2017. Gazprom Neft's share of the oils and lubricant materials market in Russia increased by 1.3 percentage points in 2017 to 21.3%.

The Company is one of the largest producers and suppliers of bitumen products in Russia. Gazprom Neft is a major Russian manufacturer of a number of basic petrochemical products: aromatic hydrocarbons (benzene, paraxylene, orthoxylene, and toluene) and propane-propylene fraction products (propylene liquefied petroleum gas).