

MANAGEMENT APPROACH

VALUE CHAIN

ADVANTAGES OF THE BUSINESS MODEL

A BALANCED PORTFOLIO OF PRODUCTION ASSETS

The Company is able to meet the needs of the oil and gas market by increasing hydrocarbon production each year. Large-scale development and the introduction of innovations facilitate the growth in output.

A balanced project portfolio helps to effectively manage production in rapidly changing market conditions.

MODERN AND EFFICIENT OIL REFINERIES IN RUSSIA AND ABROAD

An advantageous location, modernized production facilities, and ongoing projects to improve operational efficiency enable the Company to maintain its position as an industry leader in refining efficiency and meet the needs of the domestic market.

Modernization programs not only improve the quality of products, but also improve the environmental performance of motor fuels and minimize the impact of refineries on the environment.

DIRECT SALES NETWORK IN MOST RUSSIAN REGIONS AND TEN COUNTRIES

Having an extensive sales network in Russia and around the world helps the Company to maximize the margin from the sale of oil and petroleum products and provide products to a wide range of customers – from retail customers to major traders.

CREATING VALUE FOR STAKEHOLDERS



SOCIETY

- Providing high-quality fuel
- Responsible production: preserving the environment and biodiversity



SHAREHOLDERS AND INVESTORS

- Long-term growth in the Company's value
- A high level of dividend yield



CONSUMERS AND CUSTOMERS

Regular availability and the stable provision of petroleum products with excellent consumer and environmental attributes



STAFF

- Stable jobs
- A dignified compensation package
- Social support
- Ample opportunities for professional growth



GOVERNMENT

- Ensuring energy security
- Contribution to economic development
- Tax payments
- Technological development of the Russian oil and gas industry



REGIONS OF OPERATION AND LOCAL COMMUNITIES

- Contribution to the socioeconomic stability of the regions:
- development of local production and suppliers
 - tax payments
 - creation of jobs and environmental conservation programmes
 - improving the quality of life of local communities
 - promoting growth in social activity and social entrepreneurship

THE COMPANY BELIEVES THAT SUSTAINABLE GROWTH IN BUSINESS AND THE PROSPERITY OF THE SOCIETY IN WHICH IT OPERATES ARE INEXTRICABLY LINKED. IN ACHIEVING ITS STRATEGIC GOALS, GAZPROM NEFT STRIVES TO CREATE VALUE FOR STAKEHOLDERS AT EACH STAGE OF ITS ACTIVITIES AND TO CONTRIBUTE TO THE COUNTRY'S SOCIOECONOMIC DEVELOPMENT.

2017 MILESTONES

89.75

MN TOE
HYDROCARBON
PRODUCTION

40.11

MN T
OIL REFINING

51

REGIONS OF RUSSIA
SUPPLY OF PETROLEUM
PRODUCTS TO THE PUBLIC
AND BUSINESS

RUB 27.1^{BN}

INVESTMENT
IN ENVIRONMENTAL
PROTECTION

RUB 1.16^{TN}

COMPANY'S CAPITALIZATION
AS OF 31 DECEMBER 2017

RUB 10.68

PER SHARE
DIVIDEND PAYMENTS
FOR 2016

14.5%

COMBINED INCOME
OF SHAREHOLDERS IN 2017

26.53

MN T OF OIL
SALES

43.48

MN T OF PETROLEUM
PRODUCTS
SALES

12.4

MN MEMBERS
OF THE GAZPROMNEFT
FILLING STATION LOYALTY
PROGRAMME

ALL THE COMPANY'S
OIL REFINERIES FULLY
SWITCHED TO EURO-5 AHEAD
OF SCHEDULE

67,882

EMPLOYEES
WORKING
AT THE COMPANY

TO 0.326

LTIFR REDUCED

55,891

EMPLOYEES
UNDERWENT TRAINING

RUB 112,900

AVERAGE SALARY

19.9

MN T OF OIL
EXPORTS

RUB 721^{BN}

TAX PAYMENTS

INCREASED SERVICE LIFE OF MATURE
FIELDS THROUGH THE USE OF MODERN
TECHNOLOGIES

221

SOCIAL PROJECTS
IMPLEMENTED

RUB 4.313^{BN}

SOCIAL INVESTMENTS