

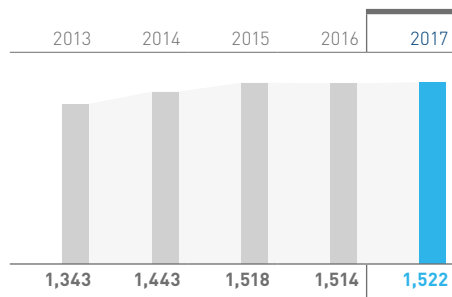
KEY INDICATORS



LEADING POSITIONS IN EXPANDED HYDROCARBON PRODUCTION

PROVEN HYDROCARBON RESERVES (PRMS-SPE)¹ (MN TOE)

1,522 +0.5%

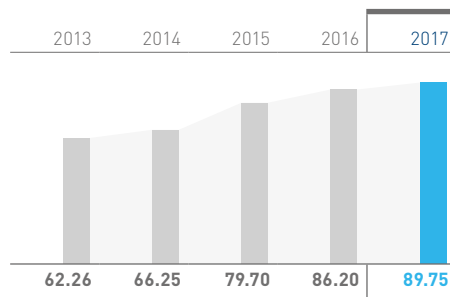


The resource base of the Company's current assets has deteriorated in terms of the remaining commercial reserves as most fields are in a late stage development. Nevertheless, the Company managed to improve the efficient development of these reserves through high-tech drilling and the use of tertiary methods for boosting oil recovery.

For more, see the 'Raw materials base and production' section, p. 52

HYDROCARBON PRODUCTION (MN TOE)

89.75 +4.1%



Increased production at the Novoportovskoye, Messoyakha, and Prirazlomnoye fields as well as in Iraq enabled the Company to increase hydrocarbon production year-on-year.

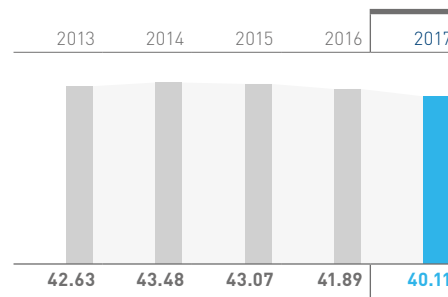
For more, see the 'Oil and gas production' section, p. 55



BALANCED REFINING

OIL REFINING² (MN TOE)

40.11 -4.2%



Oil refining decreased by 4.2% due to modernization and scheduled repairs at the Group's oil refineries.

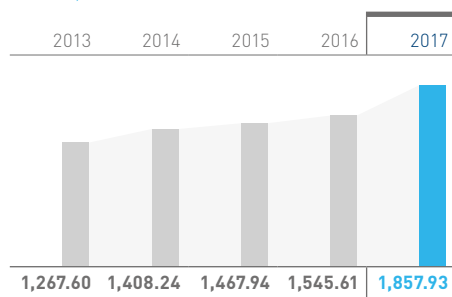
For more, see the 'Oil refining' section, p. 64



STRONG FINANCIAL RESULTS

SALES REVENUE (RUB BN)

1,857.93 +20.2%

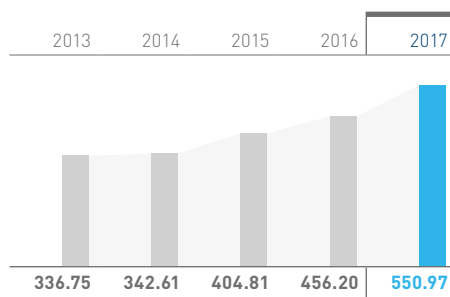


Revenue increased by 20.2% including duties due to increased oil production as well as higher oil and petroleum product prices around the world and on the domestic market.

For more, see the 'Financial results' section, p. 88

ADJUSTED EBITDA (RUB BN)

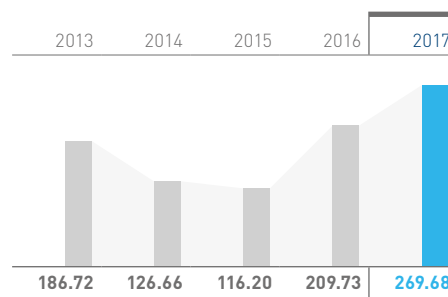
550.97 +20.8%



Increased production at major projects (the Novoportovskoye, Prirazlomnoye, and Messoyakha fields) along with growth in retail sales and higher oil and petroleum product prices resulted in a 20.8% increase in adjusted EBITDA.

NET PROFIT (RUB BN)

269.68 +28.6%



The growth in net profit was mainly due to the higher EBITDA.

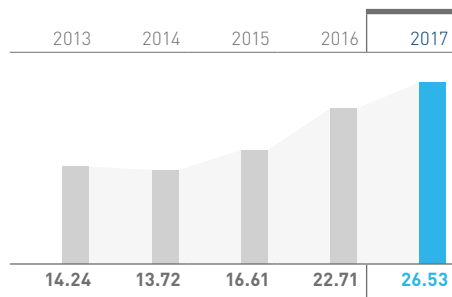
A unique system of continuous improvements as well as digital technologies ensured the Company's improved production and financial performance.



GROWTH IN OIL AND PETROLEUM PRODUCT SALES

OIL SALES (MN T)

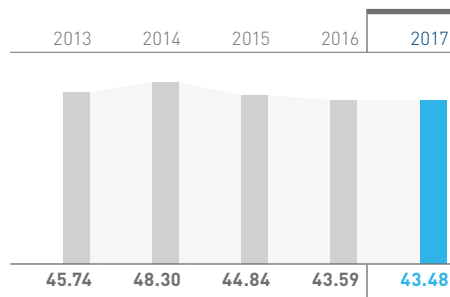
26.53 +16.8%



A 16.8% YoY increase in oil sales resulted from expanded production at the Novoportovskoye, Messoyakha, and Prirazlomnoye fields and a decrease in supplies to oil refineries in Russia.

PETROLEUM PRODUCT SALES (MN T)

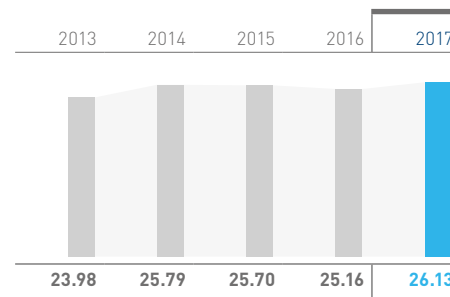
43.48 -0.3%



Sales of petroleum products decreased slightly in 2017 due to a reduction in refining volume and fuel oil production at Russian oil refineries.

PETROLEUM PRODUCT SALES VIA HIGH-MARGIN CHANNELS (MN T)

26.13 +3.9%



Sales via high-margin channels grew by 3.9% YoY primarily due to an increase in retail sales of motor fuels in Russia. In addition, sales of aviation fuel increased due to greater demand for air transportation. Expanded infrastructure construction in Russia and access to new foreign markets, in turn, resulted in increased sales of premium bitumen products.



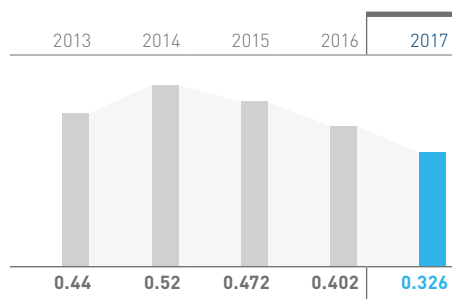
For more, see the 'Oil and petroleum product sales' section, p. 68



COMMITMENT TO SAFETY, RESOURCES, AND THE ENVIRONMENT

LTIFR INJURY RATE

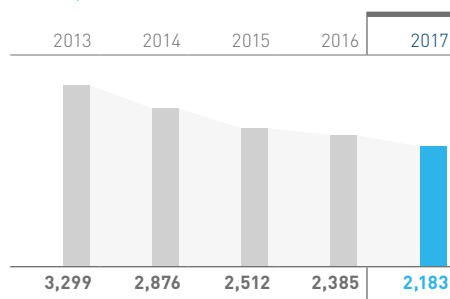
0.326 -0.076 p. p.



The use of the latest technologies and a commitment to occupational safety helped to achieve good results.

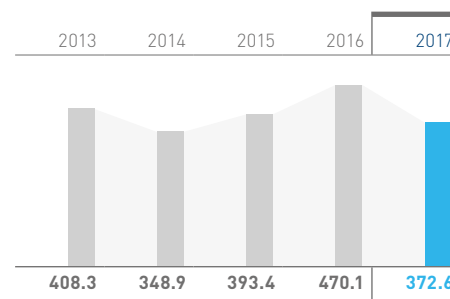
NUMBER OF INCIDENTS AT HAZARDOUS PRODUCTION FACILITIES (INCIDENTS)

2,183 -8.5%



TOTAL GROSS AIR POLLUTANT EMISSIONS (THOUSAND T)

372.6 -20.7%



For more, see the 'Safe development' section, p. 98

1 — Data does not include reserves and production volume at NIS.

2 — For the Group as a whole, including refining both at its own refineries and joint venture refineries.