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**2002 Sibneft  
First Half Results**



## **Sibneft Corporate News**

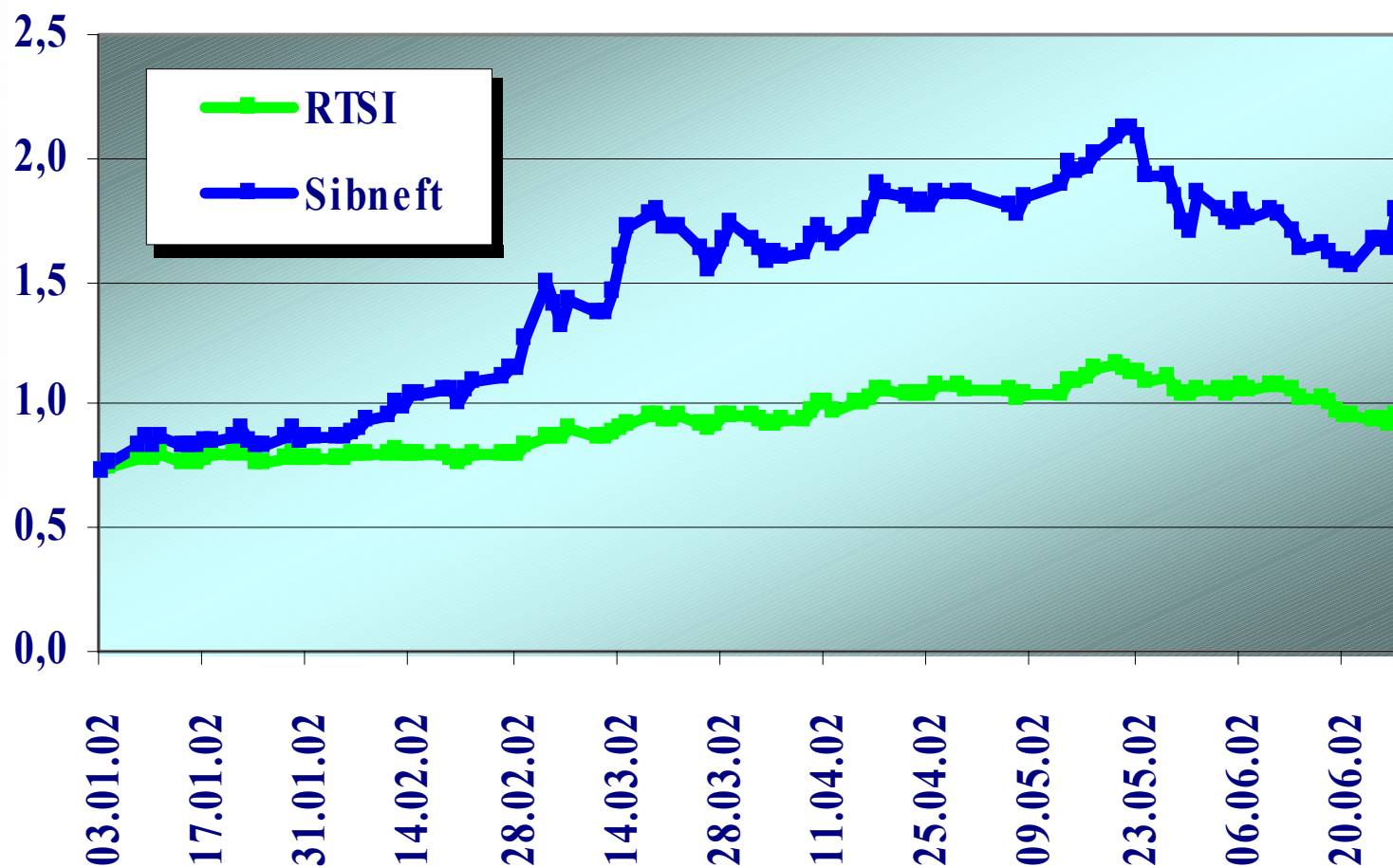
**Richard Creitzman**  
**Head of Corporate Finance**

## Half year highlights

- January – Sibneft placed a \$250 mln. five-year Eurobond on the Luxemburg Stock Exchange. In March 2002, the company increased the issue to \$400 mln., making it the largest Corporate Bond in Russian history at the time.
- February – Sibneft started crude deliveries to the Moscow Refinery. Plans envisage deliveries to total about 4 mln. tons of crude to the refinery this year.
- April - Sibneft acquired a 59% interest in Meretoyahaneftegas for \$20mln. The company is involved in E&P activities to the north of Noyabrsk region. The sum implies \$0,34 per bbl of ABC1 reserves.
- May - The Board of Directors approved dividends of RUR6.11 per share, a figure equal to the amount accrued in 2001 financial statements. It was the largest dividend payment in Russian Corporate history.
- March – June – Active expansion on Moscow retail market. By mid-2002, Sibneft had 26 stations in Moscow and the region.

## Sibneft share price performance versus RTS index

Sibneft shares showed a 144% return during 1H 2002





- November – strategy highlights, 2002 full year forecasts.
- November – Analyst Modelling Databook – all the analysts need to construct proper DCF for Sibneft.
- Till December - Corporate site upgrade – make it more investor and analyst oriented.

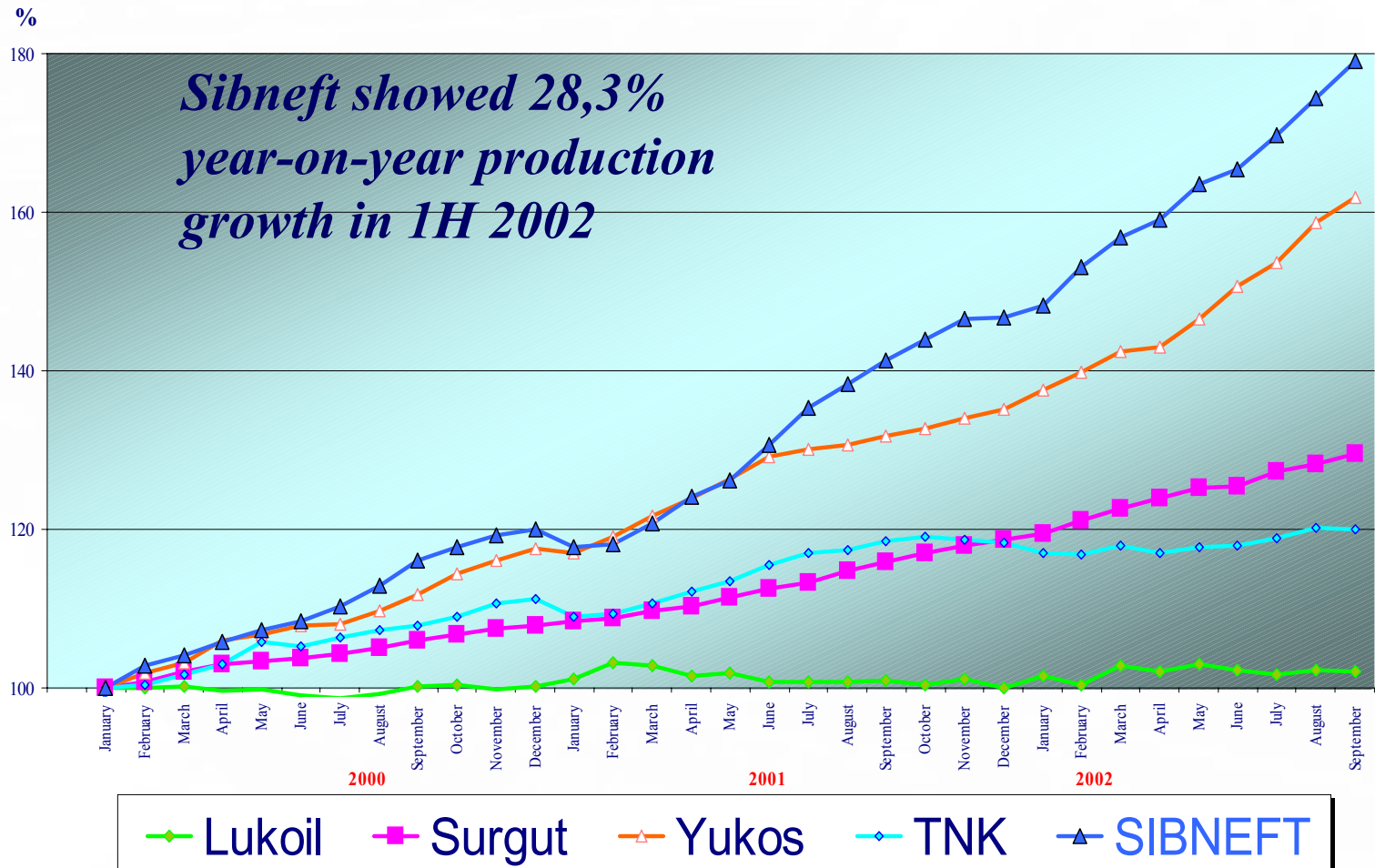


## **Upstream Business**

**Andrey Matevosov**  
**Vice President Upstream**

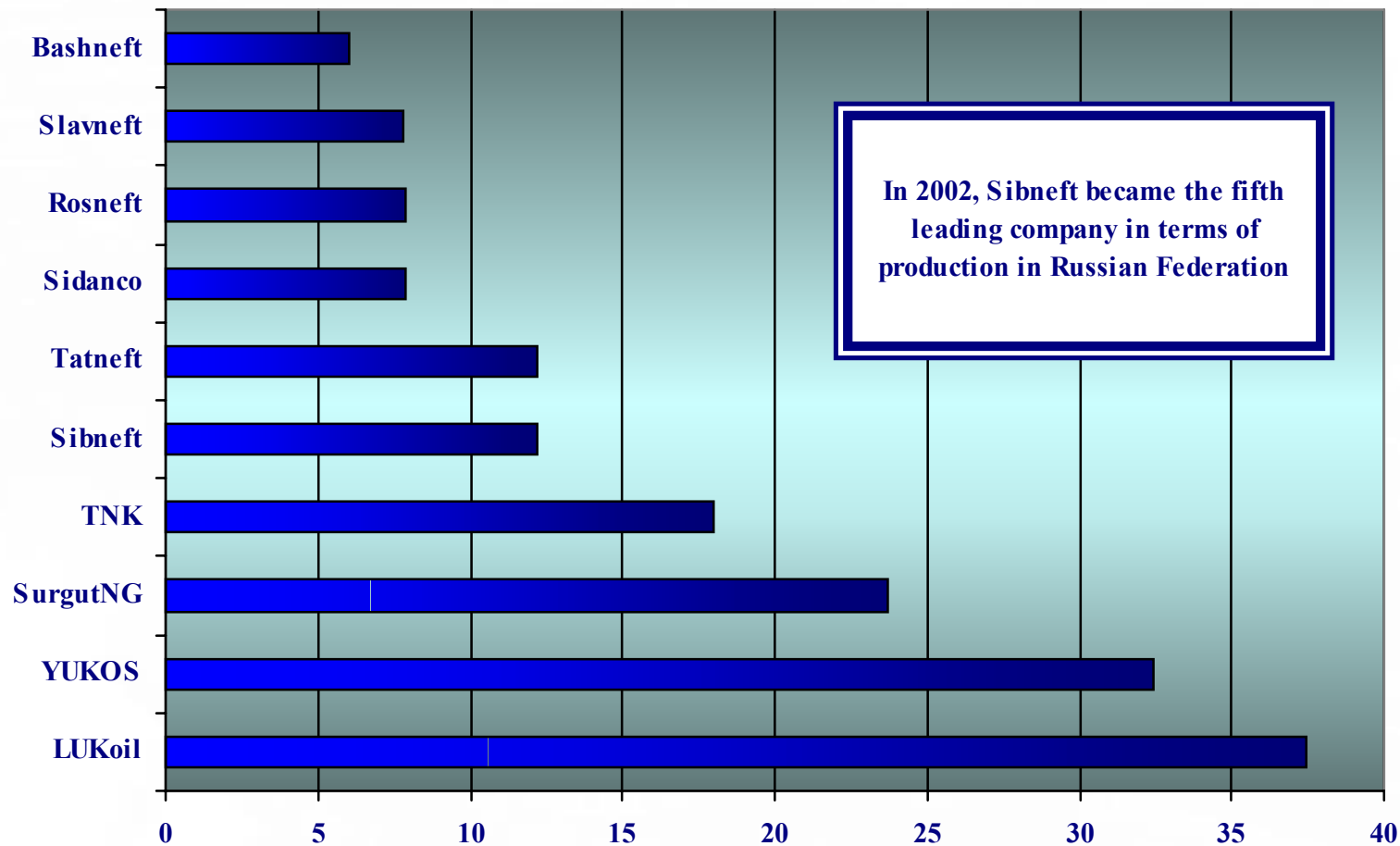


# Sibneft – the fastest growing oil company



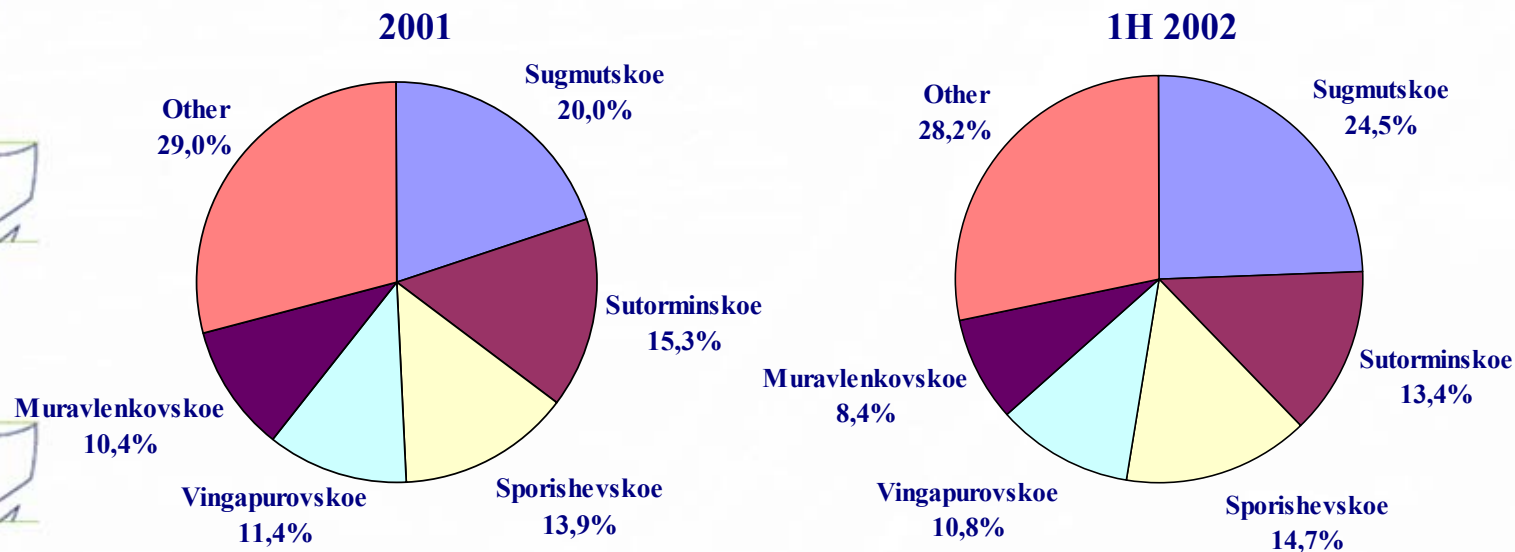


## Sibneft – now the fifth largest producer, (mln.tons/ 1H 2002)





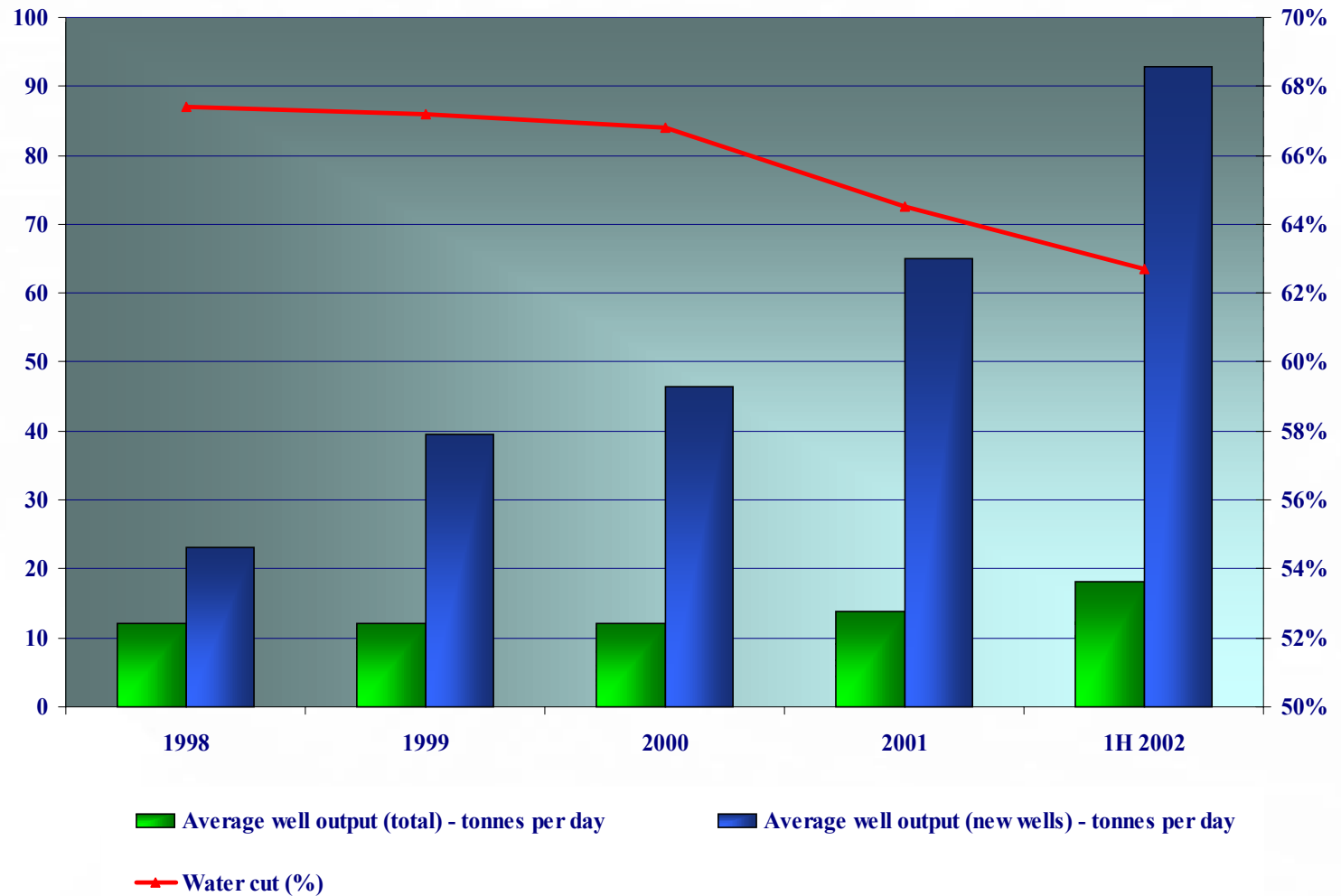
## Major production drivers – Sugmut and much more...



Substantial increases were shown at the Sugmutskoye, Sporishevskoye, Romanovskoye and Karamovskoye oil fields in Noyabrsk region and the Palyanovskoye and Priobskoye fields of Sibneft-Yugra.

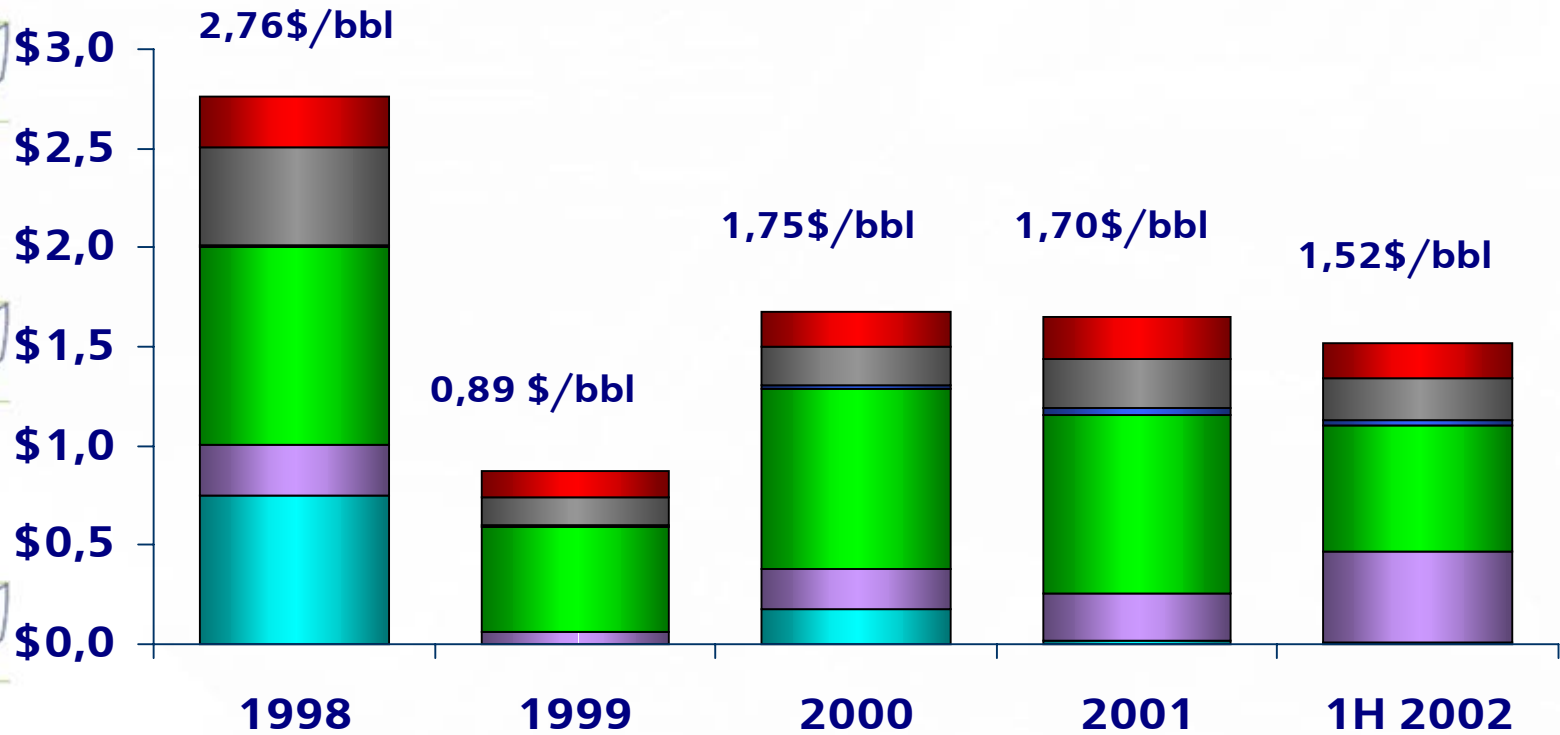
tons	January	February	March	April	May	June
Karamovskoye	42 900	53 000	65 400	64 300	68 200	70 200
Priobskoye	108	174	75	858	5 178	11 220

## Productivity kept high, watercut kept low



# Upstream lifting costs under effective control

Direct production costs (\$/ barrel ) - Lifting Costs



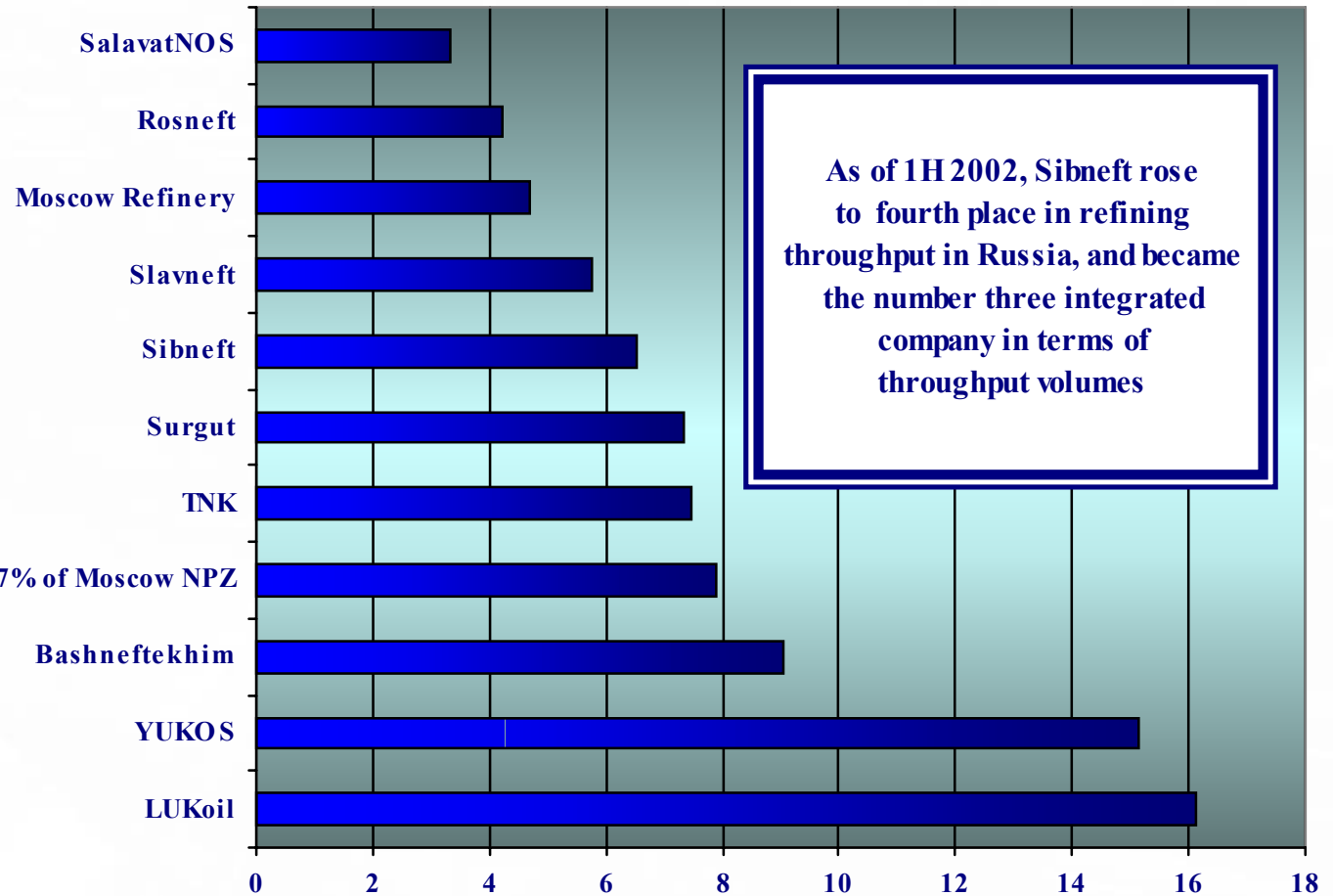


## Downstream Business

**Valeriy Oyf**  
**Vice President Downstream**



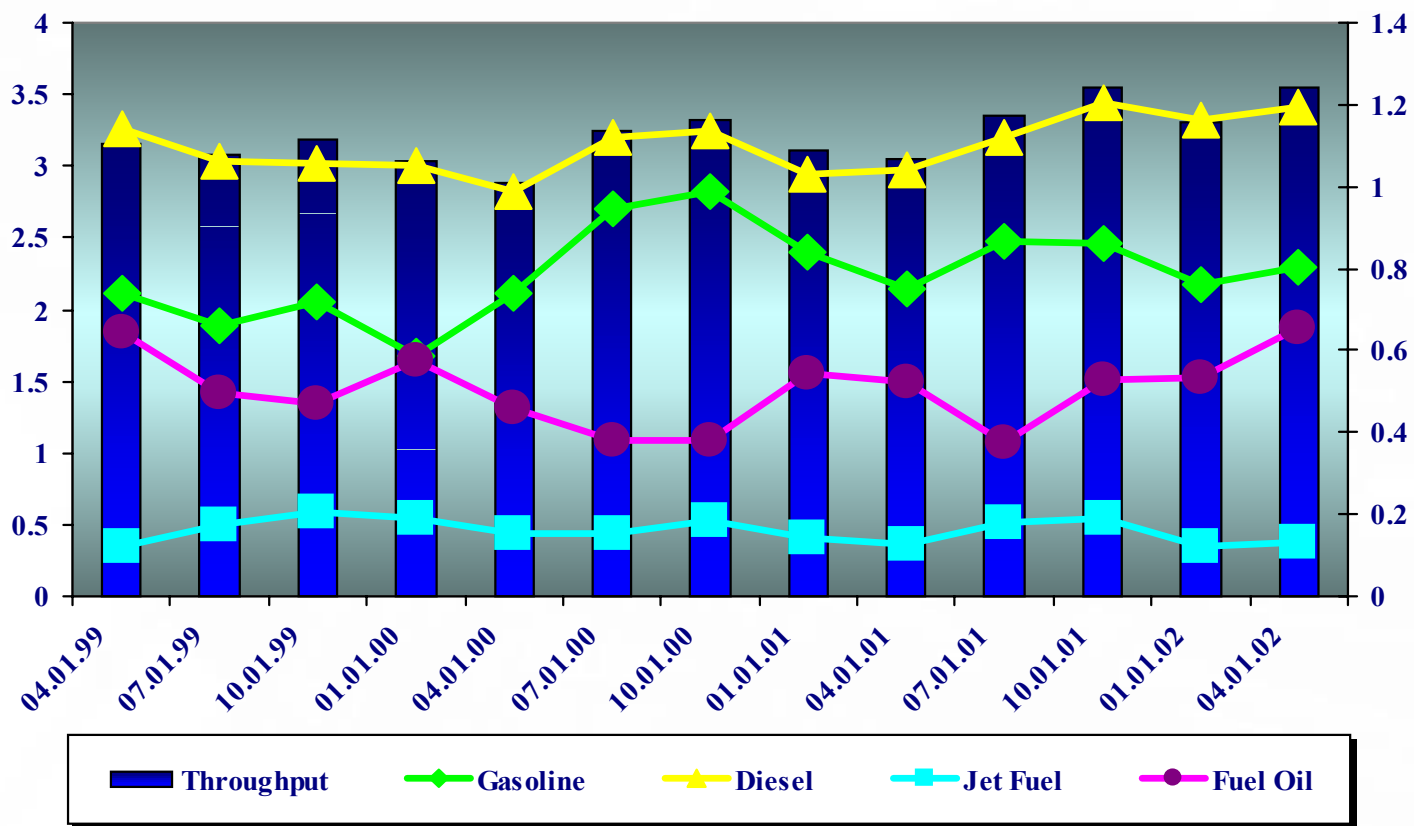
## Refining position for 1H 2002 (in mln.ton)



As of 1H 2002, Sibneft rose to fourth place in refining throughput in Russia, and became the number three integrated company in terms of throughput volumes

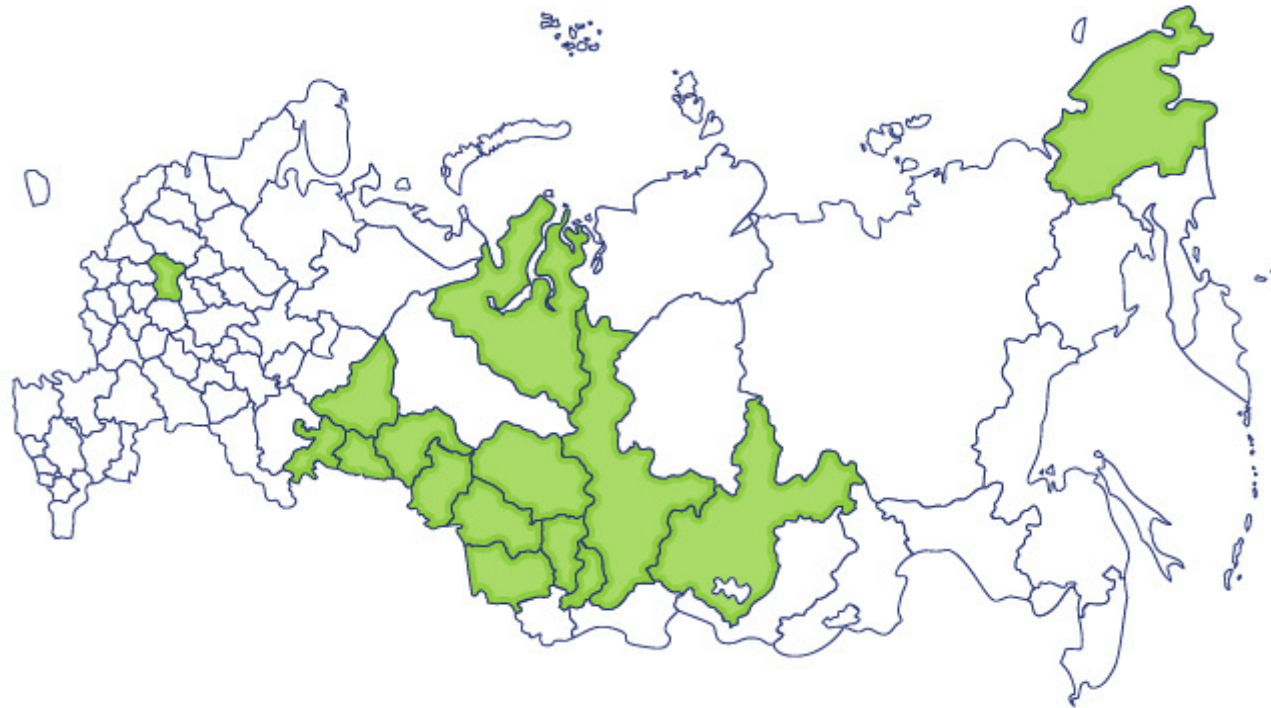
## Q-on-Q oil products output, (mln.tons/quarter)

- ✓ Stable oil products output
- ✓ Growth in gasoline (local market) and fuel oil (export) from the Moscow Refinery



## 2002 – a year of active regional network expansion

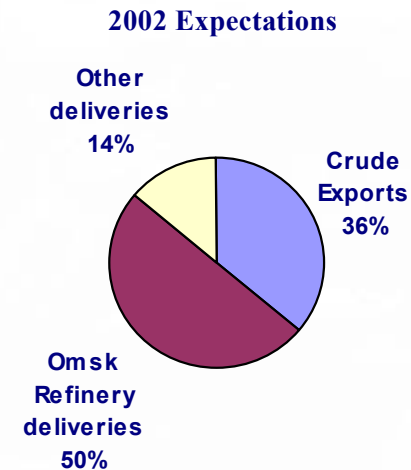
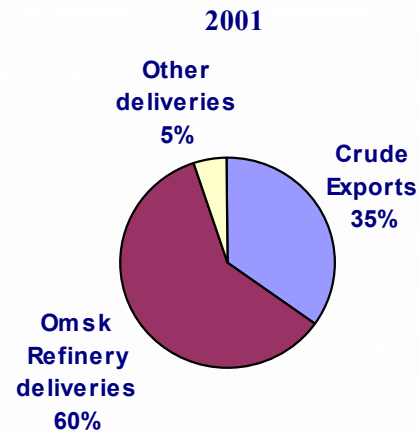
As of June 30, 2002, Sibneft operated 1 125 petrol stations, including 573 own stations, 335 jobbers and 217 dealers.



**Novosibirsk, Krasnoyarsk, Tomsk and Moscow – regions of active expansion in 2002.**

## Moscow market – load up capacity / retail growth possibility

Sibneft production growth will enable it to load Moscow Refinery with its own crude. In 2002, Sibneft has about 14% of spare crude (net of export and Omsk refinery shipments) to supply to Moscow.



	<u>Moscow</u>	<u>Europe</u>
<i>People per 1 station</i>	13150	2000 - 4700
<i>Cars per 1 station</i>	3850	1000 - 2000
<i>Sales per 1 station (cub.meters/ year)</i>	5500	1300 – 3000



## Moscow market

- Sibneft currently sells more than 65% of gasoline via own marketing subsidiaries (including marketing about 31% of gasoline via own filling stations).
- By the end of 2002, Sibneft plans to control up to 80 filling stations in Moscow (including 30-35 station wholly owned).
- In 2002, Sibneft will invest \$35 mln. in distribution outlets in Moscow, part of a planned \$65 mln. spending on retail outlets.
- Sibneft's relationship with Moscow Refinery is based on a long-term agreement to deliver at least 350 thousand tons of crude per month to the refinery, based on commercial processing.
- Sibneft plans to use Moscow as a platform to gain access to St.Petersburg and Nizhniy Novgorod.



## **Sibneft 1H 2002 Financials**

**Olga Pokrovskaya**  
**Deputy CFO**

## Revenues and Income highlights

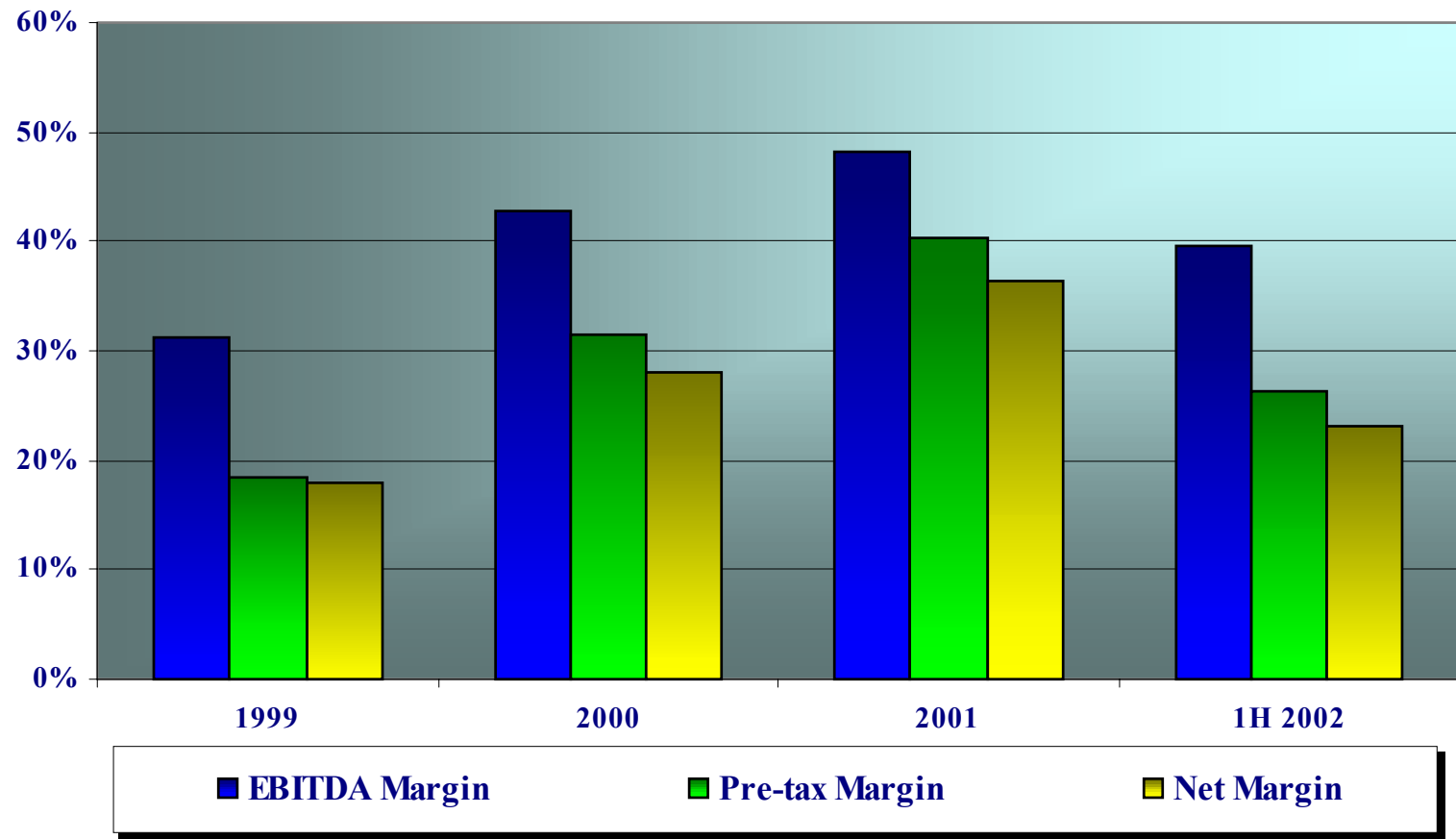
<i>(\$'000)</i>	<i>1H 2002</i>	<i>1H 2001</i>
Refined products, oil and gas sales	1,917,961	1,599,067
<b>Total revenues</b>	<b>1,984,306</b>	<b>1,663,098</b>
Operating expenses	479,904	302,402
<b>EBITDA</b>	<b>786,069</b>	<b>870,523</b>
DD&A	181,077	175,678
EBIT	604,992	694,845
Minority interest	2,287	(3,011)
Other income and expenses	(83,662)	(8,173)
Profit before tax	523,617	683,661
<b>Net income</b>	<b>457,472</b>	<b>615,881</b>

## Net Income and Effective tax rate

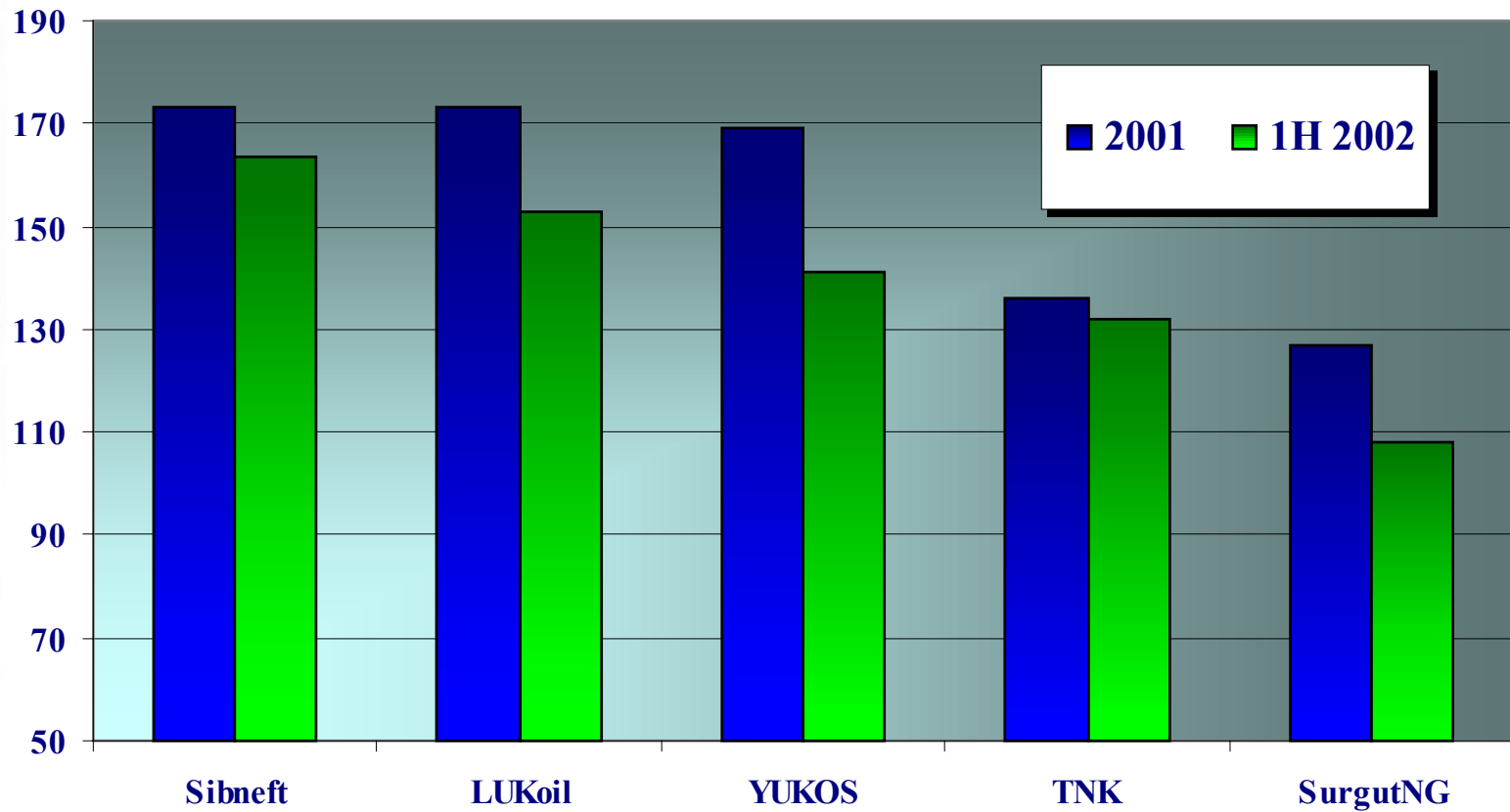
<i>(\$'000)</i>	<i>1H 2002</i>	<i>1H 2001</i>
Income before tax	523,617	683,661
Income tax	66,145	67,780
<b>Net Income</b>	<b>457,472</b>	<b>615,881</b>
<b>Effective tax rate</b>	<b>12,6%</b>	<b>9,9%</b>



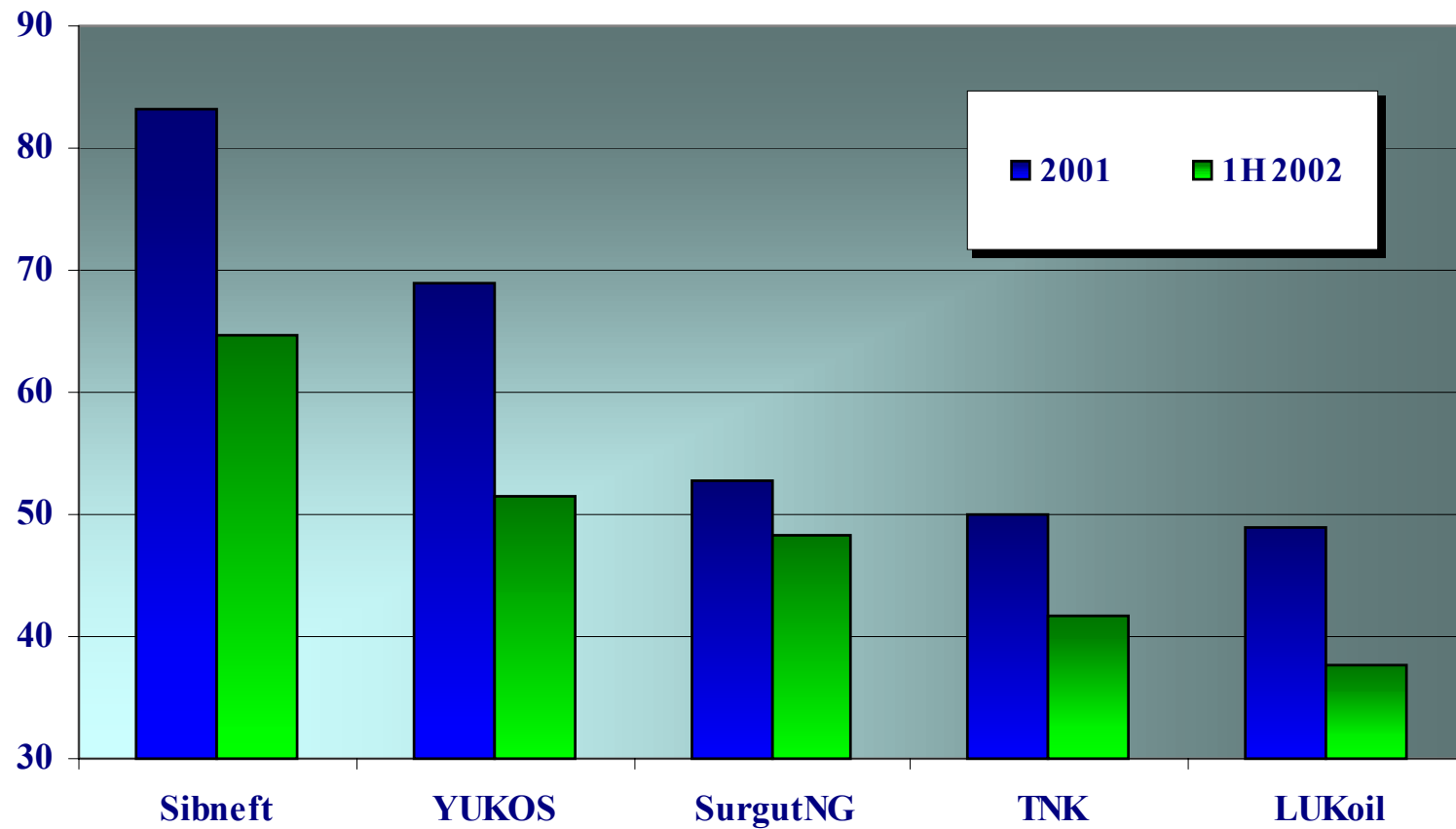
## Profit margins lower due to low domestic prices



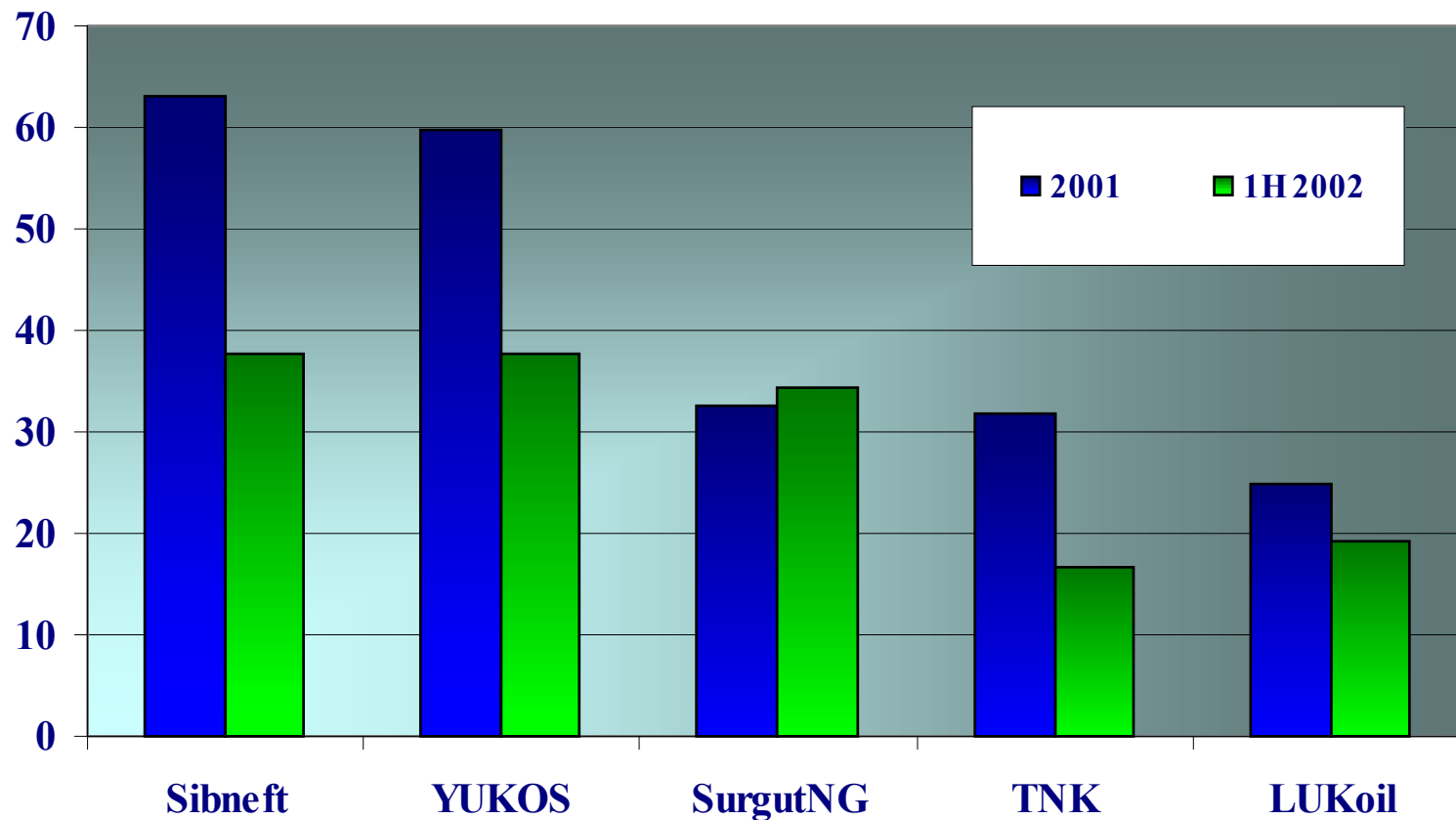
## 2001 – 1H 2002 Sales per ton ahead of peers, USD/ ton



## 2001 – 1H 2002 EBITDA per ton ahead of peers, USD/ ton



## 2001 – 1H 2002 Net income per ton ahead of peers, USD/ ton



## 1H 2002 Revenue Segmental Analysis, th.USD

		<i>Exports</i>	<i>Domestic</i>	<i>Total</i>
<b><i>Crude</i></b>		<b>873,094</b>	<b>19,713</b>	<b>892,807</b>
<i>including ...</i>	Export duties	55,519		55,519
	Siboil resales	98,864		98,864
<b><i>Product</i></b>		<b>357,155</b>	<b>654,412</b>	<b>1,011,567</b>
<i>including ...</i>	Export duties	36,545		36,545
	Siboil resales	39,497		39,497
<b><i>Other</i></b>		<b>4,070</b>	<b>9,516</b>	<b>13,586</b>
<b><i>Total</i></b>		<b>1,234,320</b>	<b>683,641</b>	<b>1,917,961</b>





## Costs and Expenses highlights

<i>(\$'000)</i>	<i>1H 2002</i>	<i>1H 2001</i>
Operating expenses	479,904	302,402
SG&A	312,345	176,092
DD&A	181,077	175,678
Exploratory expenses	0	5,834
Costs of other sales	41,359	41,207
Taxes other than income tax	364,629	267,040
<b>Total Expenses</b>	<b>1,379,314</b>	<b>968,253</b>

## Balance sheet highlights

<i>(\$'000)</i>	<i>1 H 2002</i>	<i>1 H 2001</i>
Cash and equivalents	98,333	59,953
Accounts receivable	945,088	984,422
Net oil and gas properties + PP&E	3,517,856	2,999,624
<b>Total assets</b>	<b>6,526,128</b>	<b>5,169,152</b>
Short-term debt	439,496	533,410
Long-term debt	997,574	270,877
Accounts payable and accrued liabilities	326,547	308,786
Income and other taxes	167,237	157,949
Minority interest	0	23,498
Total shareholders' capital	4,494,207	3,167,457
<b>Total liabilities + share capital</b>	<b>6,526,128</b>	<b>5,169,152</b>

## Capitalisation

<i>(\$'000)</i>	<i>1H 2002</i>	<i>1H 2001</i>
Short-term liabilities	439,496	533,410
Long-term liabilities	997,574	270,877
Shareholder capital	4,494,207	3,167,457
Net debt / shareholder capital	29,8 %	23,5%
Weighted average interest rate at end of period	<b>8,3%</b>	9,52%
Weighted average interest rate for period	<b>6,97%</b>	9,66%

## Cash flow highlights

<i>(\$'000)</i>	<i>1H 2002</i>	<i>1H 2001</i>
Net profit / (loss)	457,472	615,881
Change in net accounts receivable	(174,179)	(544,593)
Change in accounts payable	31,985	(74,142)
Change in income and other taxes	26,576	188,651
<b>Net cash from operating activities</b>	<b>452,854</b>	<b>246,441</b>
<b>Net cash from investing activities</b>	<b>(728,660)</b>	<b>(363,587)</b>
<b>Net cash from financing activities</b>	<b>322,490</b>	<b>150,013</b>
Change in cash and equivalents	46,684	32,867
<b>Cash and equivalents at end of year</b>	<b>98,333</b>	<b>59,953</b>