

# Profits at Russian Oil Giant Rosneft Fell 10 Percent Last Year

By [The Moscow Times](#)

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Rosneft, Russia's top oil producer, said Wednesday that its 2014 net profit was 350 billion rubles (\$5.7 billion), down 10 percent year-on-year, due to unfavorable economic conditions.

Rosneft said its 2014 revenues were 5.5 trillion rubles, up 17 percent, while earnings before interest, taxes, depreciation and amortization (EBITDA) were 1.06 trillion rubles, up 11.6 percent from 2013, the company said.

In its presentation, Rosneft said its oil production was at 205 million tons last year (4.1 million barrels per day). In its 2013 results presentation last year, Rosneft said its oil production was at 4.2 million barrels per day.

Rosneft's net debt was at \$43.8 billion at the end of last year, down from \$57.4 billion at the end of 2013. This year, the company has to repay \$23.5 billion, Rosneft said in the presentation on its website.

Rosneft, which changed the way it accounts for foreign exchange fluctuations, a move that avoids the cost of billions of dollars of debt hitting profits, said its management recommended its board paying 8.2 rubles per share in 2014 dividends.

CEO Igor Sechin said in a statement: "Despite negative changes in macroeconomic environment dividend payout ratio remains 25 percent of net income."

The state-controlled company, along with Gazprom, is one of two key contributors to the Russian budget. The Russian economy, including Rosneft and its CEO Sechin, was hit by Western sanctions over Moscow's role in the Ukraine's crisis.

Sanctions have significantly limited Russian companies' ability to borrow on the Western markets and have prevented Western companies from helping Rosneft develop shale oil, Arctic oil or deep water prospects.

Rosneft had asked for more than 2 trillion rubles from the National Welfare Fund, one of two Russian rainy-day funds, to finance some of its projects, but had to adjust its request given the difficult economic situation.

Russian Energy Minister Alexander Novak said last month Rosneft may get 300 billion rubles from the fund to finance five projects, both upstream and downstream.

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