

**Sinopec Corp.**

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# **Q3 2014 Results Announcement**

**Oct. 31, 2014**



# Disclaimer

Financial data of the third quarter contained in the presentation and presentation materials are unaudited.

This presentation and the presentation materials distributed herein include forward-looking statements. All statements, other than statements of historical facts, that address activities, events or developments that Sinopec Corp. expects or anticipates will or may occur in the future (including but not limited to projections, targets, estimates and business plans) are forward-looking statements. Sinopec Corp.'s actual results or developments may differ materially from those indicated by these forward-looking statements as a result of various factors and uncertainties, including but not limited to price fluctuations, actual demand, exchange rate fluctuations, exploration and development outcomes, estimates of proven reserves, competition, environmental risks, changes in legal, financial and regulatory frameworks, international economic and financial market conditions, political risks, project delay, project approval, cost estimates and other risks and factors beyond our control. In addition, Sinopec Corp. makes the forward-looking statements referred to herein as of today and undertakes no obligation to update these statements.



# Market Environment in Q1-Q3 2014

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- **Steady growth in domestic demand for refined oil products and chemicals**
  - ◆ Domestic refined oil products consumption grew by 2.8% YoY
  - ◆ Domestic consumption of ethylene equivalent was up 5.9% YoY
- **International crude oil price slumped sharply in the third quarter after slight rebounding in the first half**
- **Timely adjustment of gasoline and diesel prices with 5 consecutive price cuts in the third quarter**
- **Further adjustment to the natural gas price**

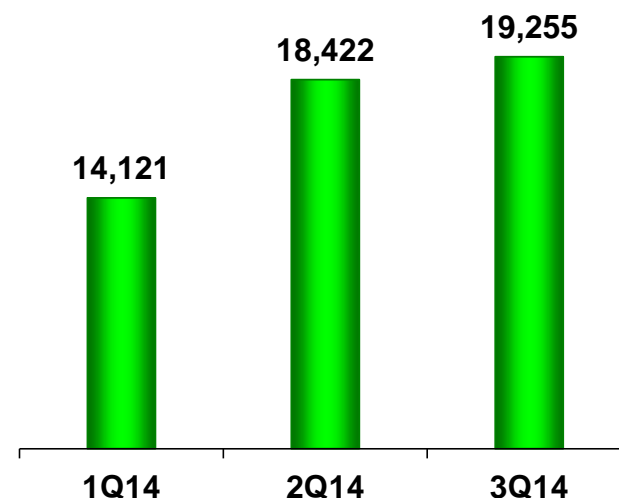


# Performance highlights

RMB million	1-	1-	YoY Change%
Turnover and other operating revenues	2,115,648	2,139,924	(1.1)
Operating profit	76,364	78,288	(2.5)
Net profit attributable to equity shareholders of the Company	51,798	52,300	(1.0)
Basic earnings per share (RMB)	0.444	0.451	(1.6)

## Quarterly Net Profit

RMB million





# Financial Position

RMB million	1-	1-
Net cash generated from operating activities	108,247	79,612
Net cash generated from investing activities	(87,141)	(122,304)
Net cash generated from financing activities	(16,372)	43,866

RMB million	As of 30 Sep. 2014	As of 31 Dec. 2013
Short-term debt	101,810	109,806
Long-term debt	108,055	107,234
Total equity attributable to shareholders of the Company	592,357	568,803



# E&P Operating Results

	1-	1-	YoY Change%
Oil and gas production (mm boe)	357.41	330.79	8.05
Crude oil production (mm bbls)	268.87	249.73	7.66
China	232.51	232.19	0.14
Overseas	36.36	17.54	107.30
Natural gas production (bcf)	530.80	486.34	9.14
Realized crude oil price (USD/bbl)	94.72	95.12	(0.42)
Realized nature gas price (USD/tcf)	7.05	6.15	14.63
Operating profit (million RMB)	41,748	46,744	(10.69)

1: For domestic production of crude oil, 1 tonne = 7.10 barrels; for overseas production, 1 tonne = 7.20 barrels.

2: For production of natural gas, 1 cubic meter = 35.31 cubic feet.



# Refining Operating Results

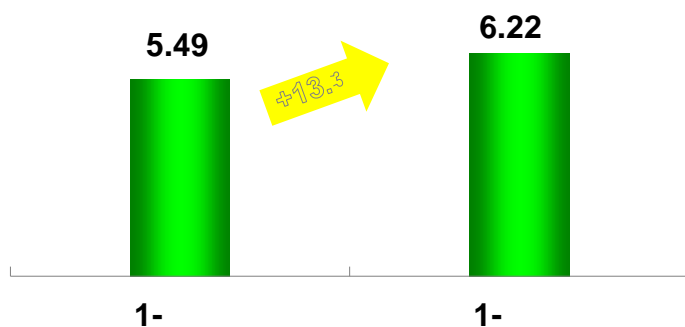
(million tonnes)	1-	1-	YoY Change%
Refinery throughput	175.83	174.19	0.94
Gasoline production	38.13	34.02	12.08
Diesel production	55.50	58.27	(4.75)
Kerosene (incl. Jet fuel) production	15.37	12.84	19.70
Light chemical feedstock production	29.70	28.68	3.56
Light yield (%)	76.65	76.15	50bps
Refining yield (%)	94.66	94.71	(5)bps

1: Refinery throughput is converted at 1 tonne = 7.35 barrels.

2: 100% production of joint ventures was included.

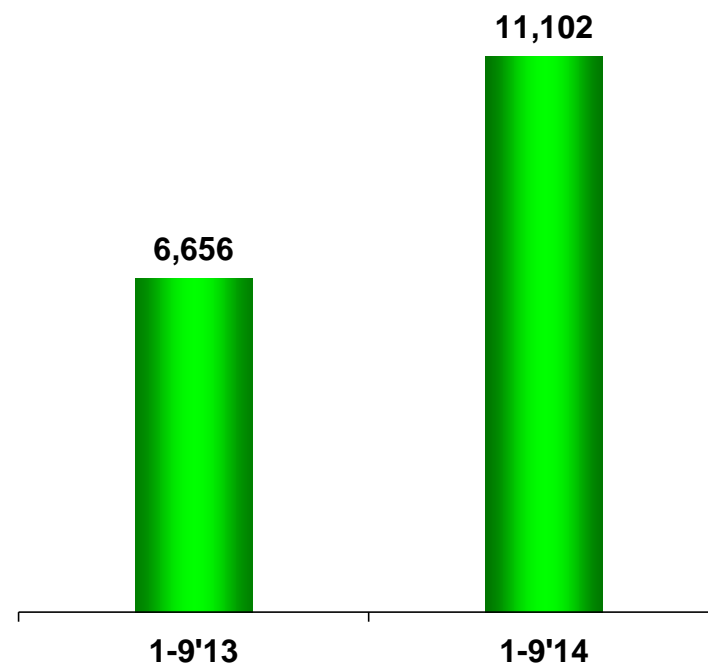


# Refining Performance



## Operating Profit of Refining Segment

RMB million







# Marketing Operating Results

- Accelerating the restructuring and reform of marketing business, completed the auditing, assets evaluation and signing the capital injection agreements.

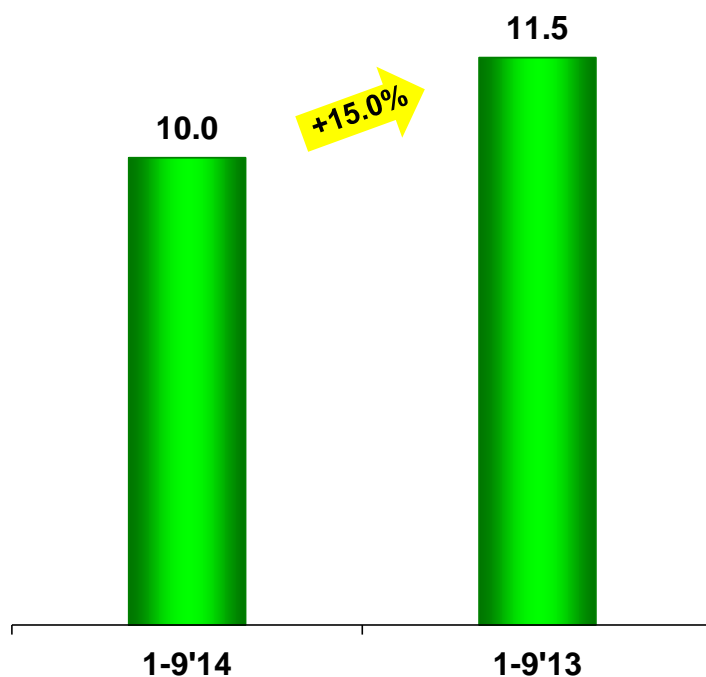
(million tonnes)	1-	1-	YoY Change%
Total sales of refined oil products	138.15	134.64	2.61
Domestic sales of refined oil products	125.66	123.30	1.91
Retail	86.56	84.82	2.05
Distribution & wholesale	39.10	38.48	1.61
Annualized average throughput of self-operated stations (tonnes/station)	3,799	3,699	2.70
Total number of domestic service stations	30,386	30,536	(0.49)
Company-operated stations	30,373	30,523	(0.49)



# Marketing Performance

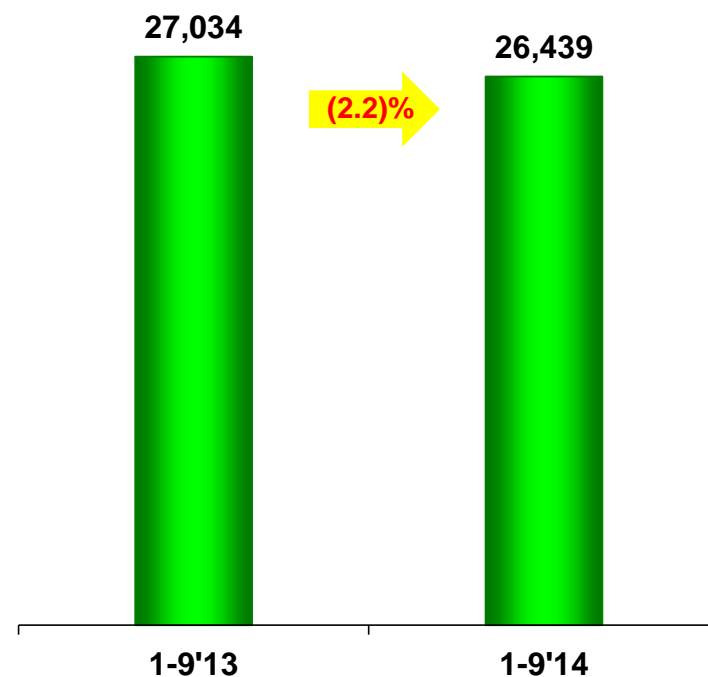
## Sales from Non-fuel Business

RMB billion



## Operating Profit of Marketing Segment

RMB million





# Chemicals Operating Results

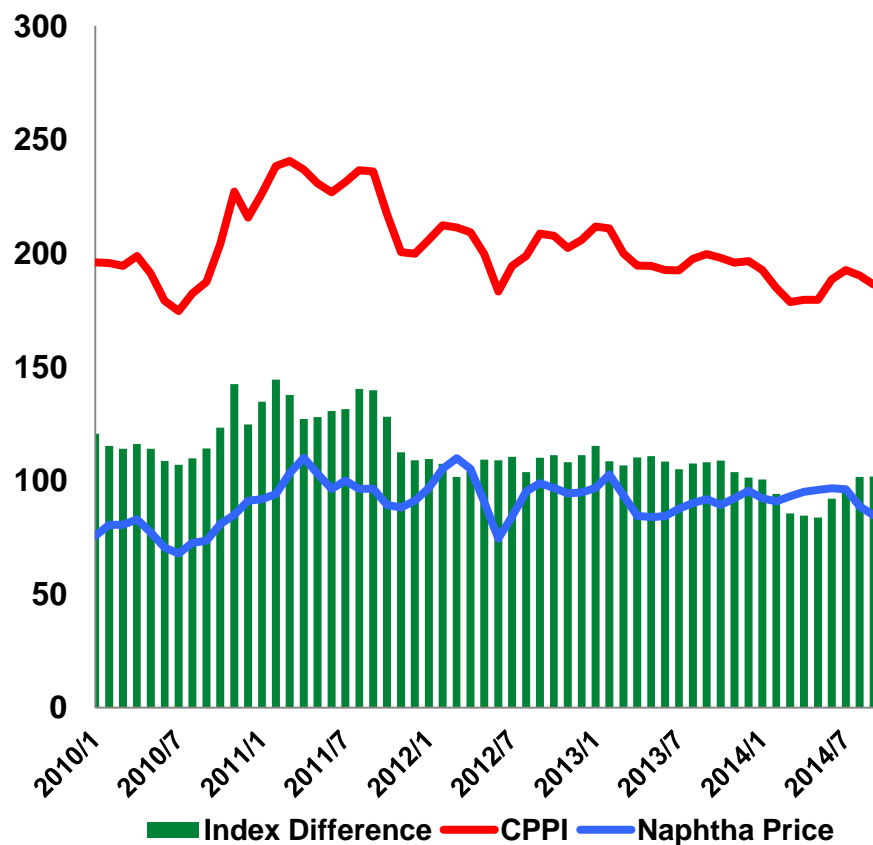
'000 tonnes	1-	1-	YoY Change %
Ethylene	7,858	7,398	6.22
Synthetic resin	10,748	10,223	5.14
Synthetic rubber	725	715	1.40
Monomer & polymer for synthetic fiber	6,253	6,849	(8.70)
Synthetic fiber	986	1,049	(6.01)

Note: 100% production of joint ventures included



# Chemicals Performance

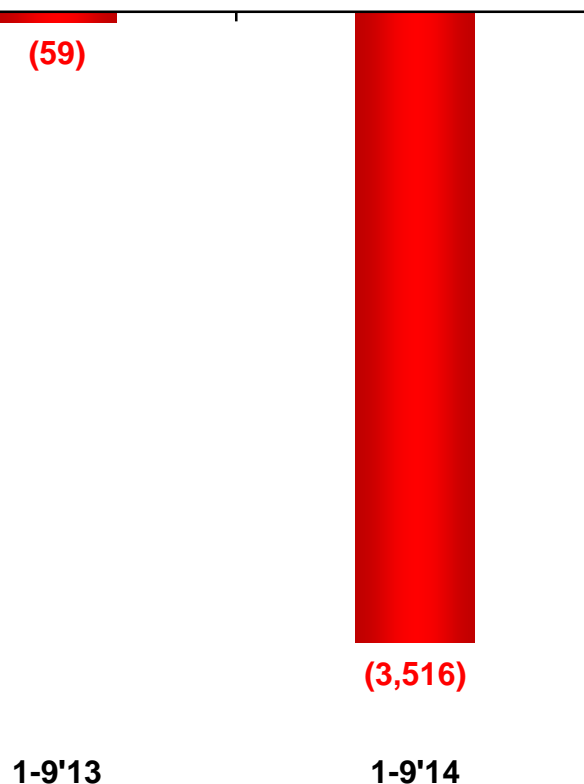
## Chemical Products Price Index (CPPI)



Source: Sinopec

## Operating Profit of Chemical Segment

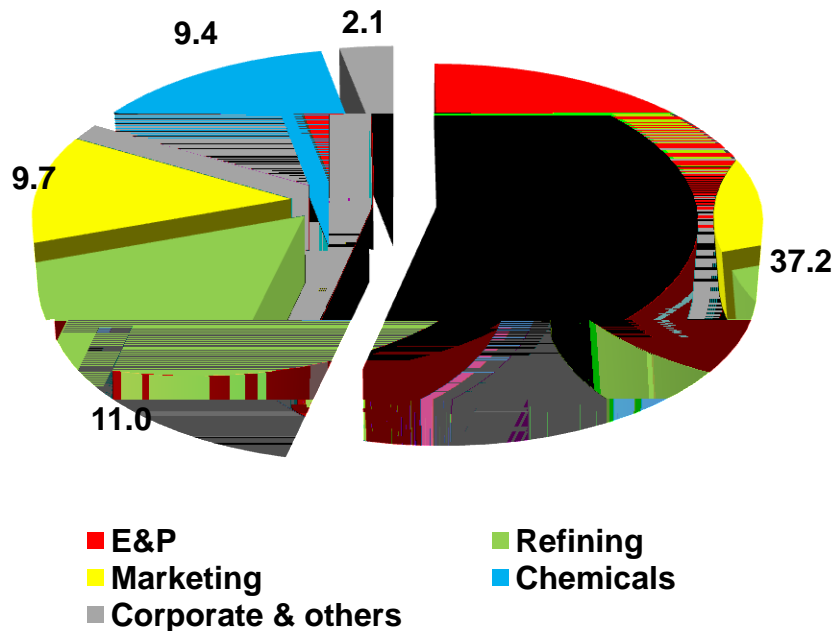
RMB million



# Capital Expenditure

Total Capex for Q1-Q3: 69.4bn

RMB billion



## ■ E&P

- ◆ Shengli, Tahe , Yuanba, Huabei daniudi oil and gas fields, Fulin shale gas exploration and development and Shandong, Guangxi LNG projects

## ■ Refining

- ◆ Refined oil products quality upgrading and refinery revamping projects

## ■ Marketing

- ◆ Construction and revamping of service stations, oil depots and oil product pipeline

## ■ Chemicals

- ◆ Chemical products mix adjustment and Ningdong, coal to chemical projects



# For Further Information

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