

**China Petroleum & Chemical Corporation**

# **Q3 2015 Results Announcement**

**October 30, 2015**



**Financial data of the first three quarters 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,**



- **China's GDP grew by 6.9%**

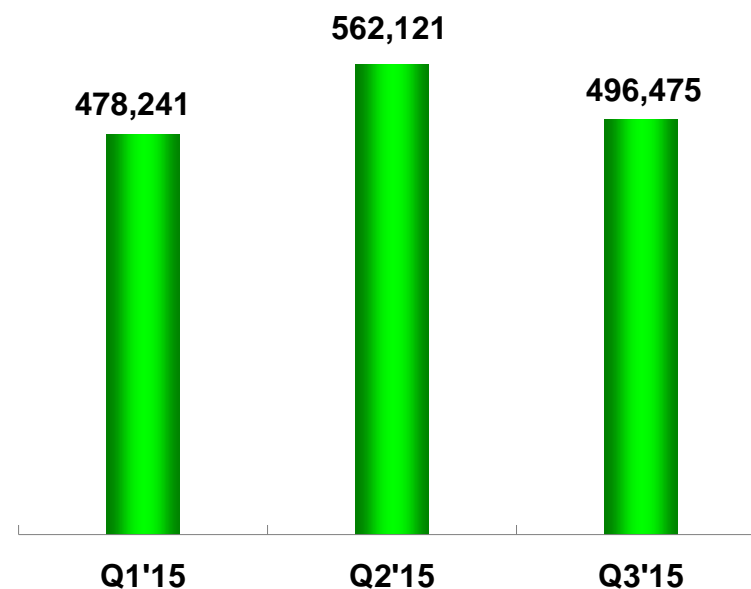


# Profitability

| RMB million                                      | 1-9'14    | 1-9'15    | YoY change % |
|--|-----------|-----------|--------------|
| Turnover and other operating income              | 2,115,648 | 1,536,837 | (27.4)       |
| Operating profit                                 | 76,364    | 49,476    | (35.2)       |
| Net profit attributable to owners of the Company | 51,798    | 27,030    | (47.8)       |
| EPS (RMB)  | 0.444     | 0.224     | (49.6)       |

## Quarterly turnover and other operating income

RMB million

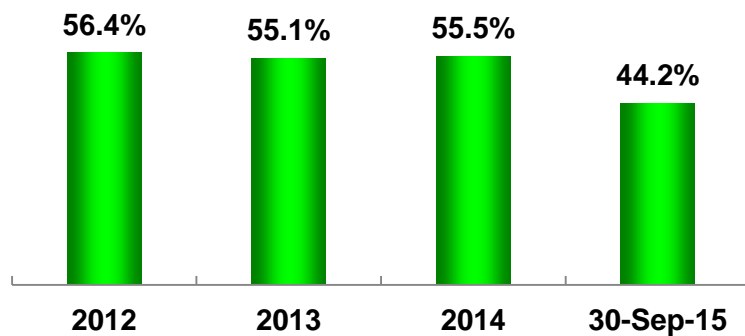




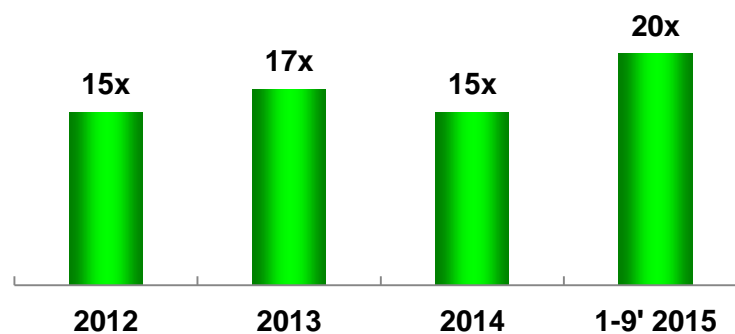
# Asset-liability Structure

| RMB billion  | 31 Dec 2014 | 30 Sep 2015 | Change% |
|--|-------------|-------------|---------|
| Total Assets                                       | 1,451.37    | 1,404.41    | (3.24)  |
| Short-term Interest-bearing Debts                  | 178.15      | 130.02      | (27.02) |
| Long-term Interest-bearing Debts                   | 115.37      | 84.94       | (26.37) |
| Total equity attributable to owners of the Company | 593.04      | 674.13      | 13.67   |

### Liability-to-Asset Ratio



### EBITDA-to-Interest Coverage





# Improved Cash Flow

| <b>RMB million</b>                                  | <b>1-9'14</b>   | <b>1-9'15</b>   |
|---|-----------------|-----------------|
| <b>Net cash generated from operating activities</b> | <b>108,247</b>  | <b>116,593</b>  |
| <b>Net cash from investing activities</b>           | <b>(87,141)</b> | <b>(74,209)</b> |
| <b>Net cash generated from financing activities</b> | <b>(16,372)</b> | <b>4,764</b>    |
| <b>Cash and cash equivalents</b>                    | <b>19,928</b>   | <b>56,510</b>   |



# E&P Segment – Operational Performance

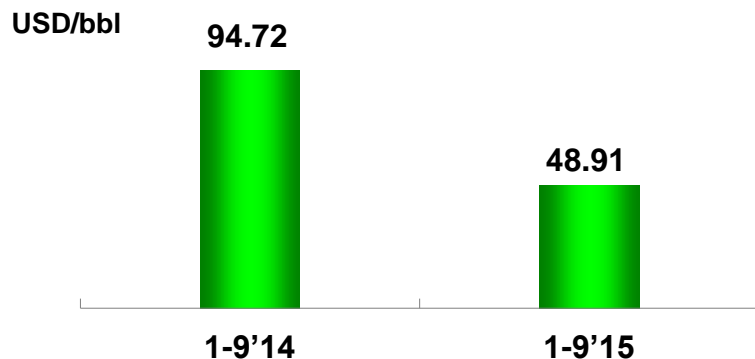
|   | 1-9'14        | 1-9'15        | YoY<br>change% |
|---|---------------|---------------|----------------|
| <b>Oil and gas production (mmboe) *</b> | <b>357.41</b> | <b>350.82</b> | <b>(1.84)</b>  |
| <b>Crude oil production (mmbbls)</b>    | <b>268.87</b> | <b>262.38</b> | <b>(2.41)</b>  |
| <b>China</b>                            | <b>232.51</b> | <b>222.42</b> | <b>(4.34)</b>  |
| <b>Overseas</b>                         | <b>36.36</b>  | <b>39.96</b>  | <b>9.90</b>    |
| <b>Natural gas production (bcf)</b>     | <b>530.80</b> | <b>530.14</b> | <b>(0.12)</b>  |

Note: 1 tonne=7.10 barrels for crude oil production in China, 1 tonne=7.20 barrels for overseas crude oil production, 1 cubic meter =35.31 cubic feet for natural gas production in China;



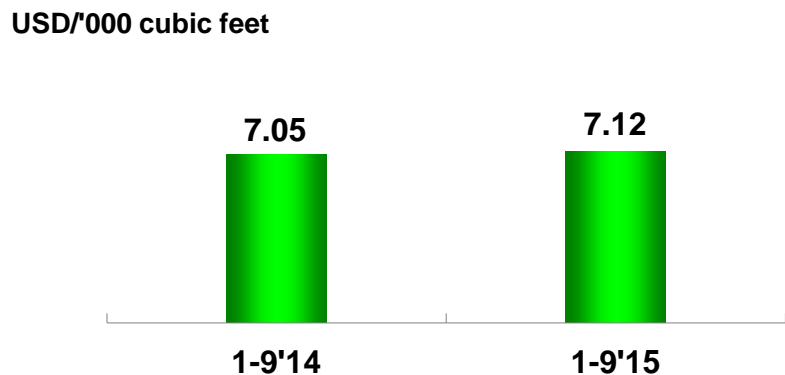
# E&P Segment – Financial Performance

## Realized Price of Crude Oil

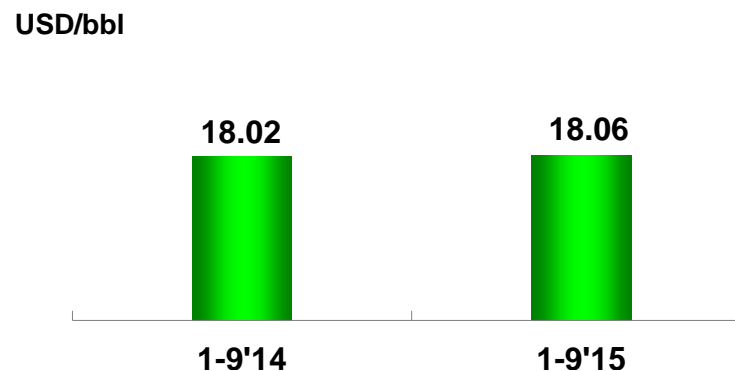


| RMB million      | 1-9'14 | 1-9'15  |
|------------------|--------|---------|
| Operating profit | 41,748 | (3,444) |

## Realized Price of Natural Gas



## Lifting cost







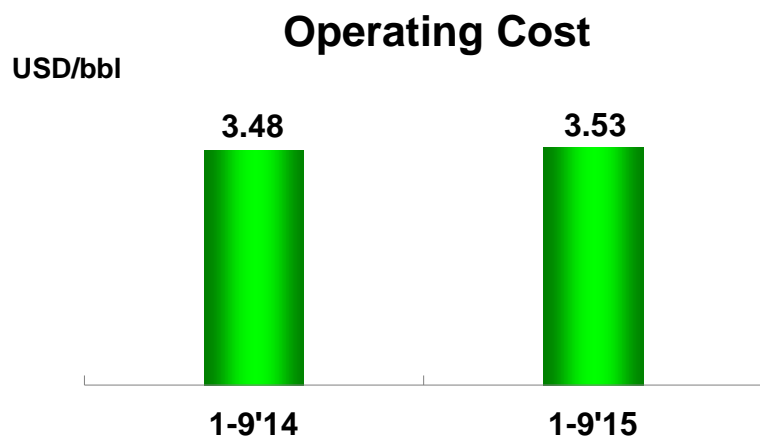
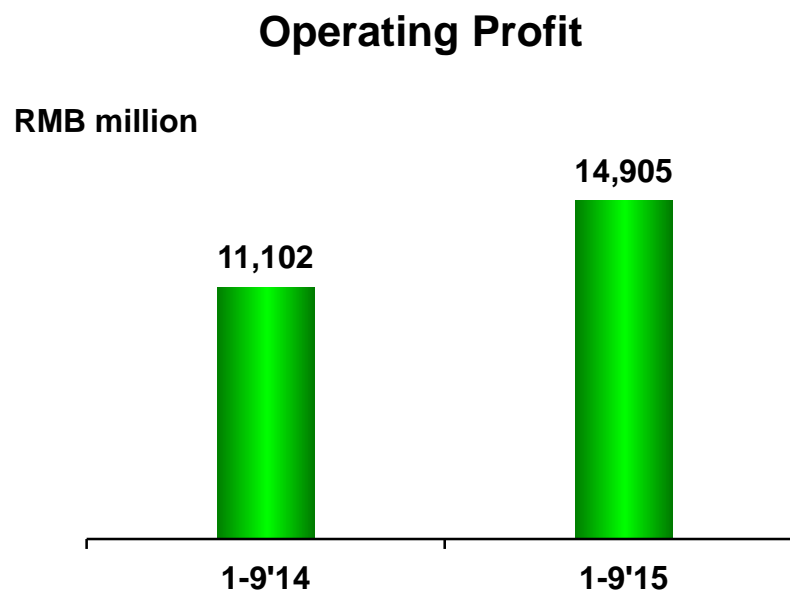
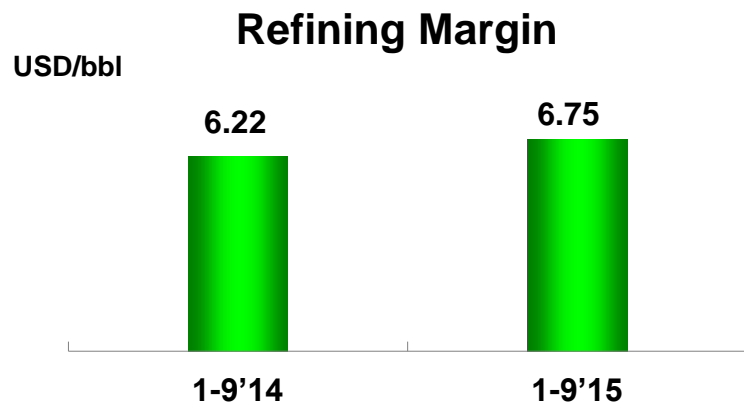
# Refining Segment– Operating Performance

| million tonnes          | 1-9'14 | 1-9'15 | YoY change% |
|-------------------------|--------|--------|-------------|
| Refinery throughput     | 175.83 | 178.32 | 1.42        |
| Gasoline production     | 38.13  | 40.85  | 7.13        |
| Diesel production       | 55.50  | 53.32  | (3.93)      |
| Kerosene                | 15.37  | 18.01  | 17.18       |
| Chemical feedstock      | 29.70  | 29.40  | (1.01)      |
| Light products yield(%) | 76.65  | 76.62  | (3)bps      |
| Refinery yield(%)       | 94.66  | 94.78  | 12bps       |

Note: Refinery throughput is calculated based on 1 tonne= 7.35 bbls;  
100% production of joint ventures included



# Refining Segment– Financial Performance





# Marketing Segment– Operating Performance

| Million tonnes   | 1-9'14        | 1-9'15        | YoY change%   |
|--|---------------|---------------|---------------|
| <b>Total sales of refined oil products</b>   | <b>138.15</b> | <b>140.75</b> | <b>1.88</b>   |
| <b>Domestic sales of refined oil products</b>  | <b>125.66</b> | <b>126.71</b> | <b>0.84</b>   |
| <b>Retail</b>  | <b>86.56</b>  | <b>88.19</b>  | <b>1.88</b>   |
| <b>Wholesale &amp; Distribution</b>  | <b>39.10</b>  | <b>38.52</b>  | <b>(1.48)</b> |
| <b>Annualized average throughput of<br/>Company-operated stations (tonnes/station)</b> | <b>3,799</b>  | <b>3,857</b>  | <b>1.53</b>   |

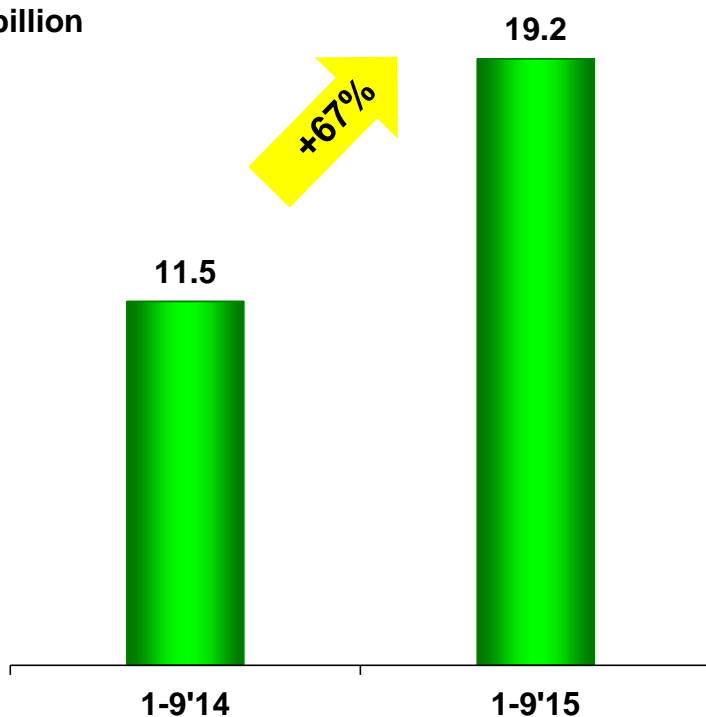
|  | 31 Dec 2014   | 30 Sep 2015   | change%       |
|--|---------------|---------------|---------------|
| <b>Total number of domestic service stations</b> | <b>30,551</b> | <b>30,500</b> | <b>(0.17)</b> |
| <b>Company-operated stations</b>                 | <b>30,538</b> | <b>30,487</b> | <b>(0.17)</b> |



# Marketing segment– Financial Performance

## Transaction of Non-fuel Business

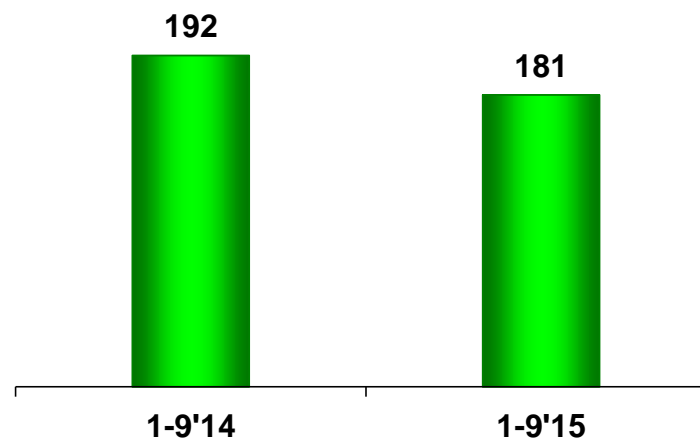
RMB billion



| RMB million      | 1-9'14 | 1-9'15 | YoY change% |
|------------------|--------|--------|-------------|
| Operating profit | 26,493 | 21,500 | (18.7)      |

## Marketing Segment Operating Cost

RMB per tonne





# Chemicals – Operating Performance

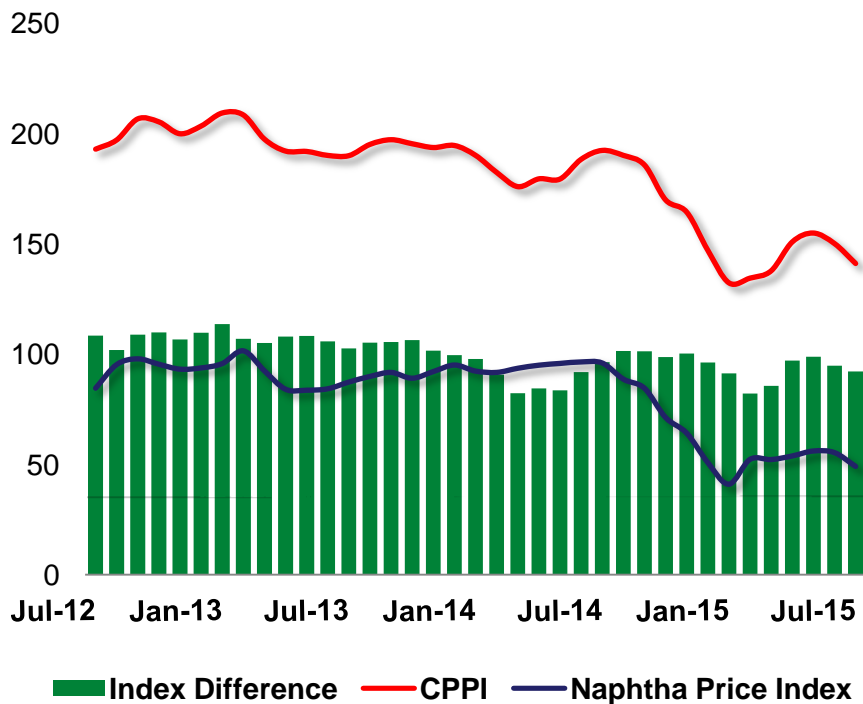
| '000 tonnes                              | 1-9'14 | 1-9'15 | YoY change% |
|--|--------|--------|-------------|
| Ethylene                                 | 7,858  | 8,273  | 5.28        |
| Synthetic resins                         | 10,748 | 11,265 | 4.81        |
| Synthetic rubbers                        | 725    | 668    | (7.86)      |
| Monomers & polymers for synthetic fibers | 6,253  | 6,684  | 6.89        |
| Synthetic fibers                         | 986    | 967    | (1.93)      |

Note: 100% production of joint ventures included



# Chemicals – Financial Performance

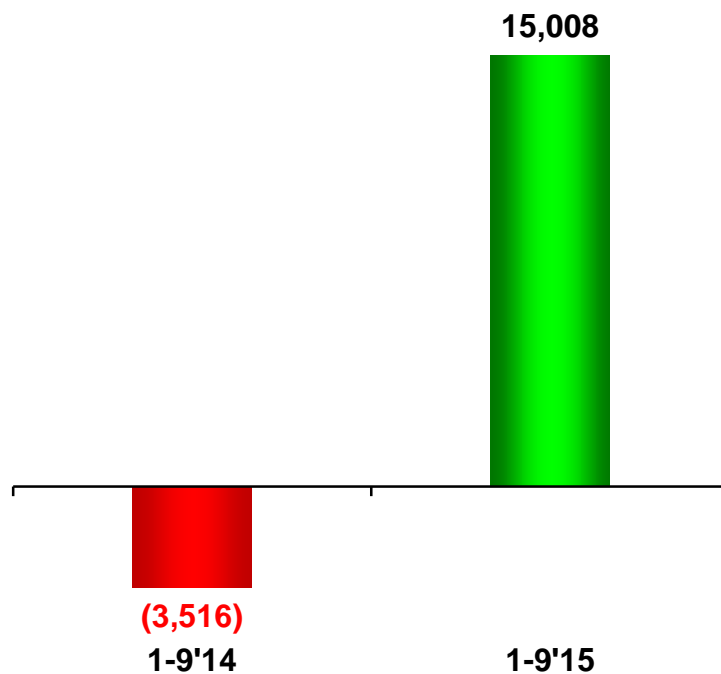
## Chemical Products Price Index (CPPI)



Source: Sinopec Corp.

## Operating profit

RMB million

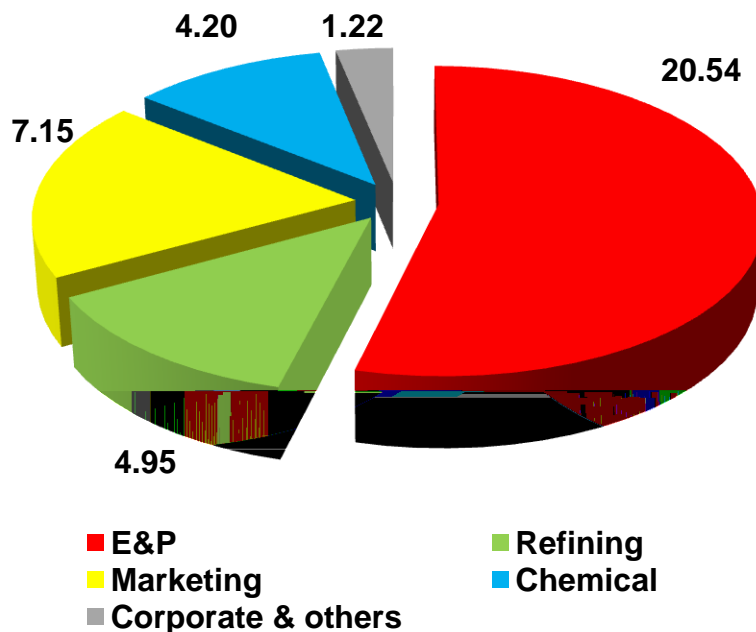




# Capital Expenditure

Total Capex for 3Q: 38.065bn

RMB billion



## ■ E&P

- ◆ Shengli, Tahe, Yuanba oil and gas field and Fuling shale gas field exploration and development, Tianjin, Guangxi LNG projects and natural gas pipeline construction

## ■ Refining

- ◆ Revamping and refined oil products quality upgrading projects

## ■ Marketing

- ◆ Construction and upgrade of service stations, oil products pipeline network and oil depots; improve non-fuel business facilities

## ■ Chemicals

- ◆ Coal chemical projects, feedstock mix optimization and environmental protection projects construction

## ■ Corporate & others

- ◆ R&D facilities and IT projects



## Q&A



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