

ОАО ГАЗПРОМ

**IFRS CONSOLIDATED
INTERIM CONDENSED
FINANCIAL INFORMATION
(UNAUDITED)**

30 JUNE 2013



Report on Review of Consolidated Interim Condensed Financial Information

To the Shareholders and Board of Directors of OAO Gazprom

Introduction

We have reviewed the accompanying consolidated interim condensed balance sheet of OAO Gazprom and its subsidiaries (the "Group") as of 30 June 2013 and the related consolidated interim condensed statements of comprehensive income for the three-month and six-month periods then ended, and of changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this consolidated interim condensed financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this consolidated interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

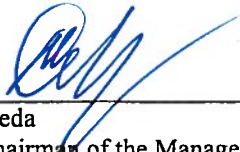
Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim condensed financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".


ZAO PricewaterhouseCoopers Audit

11 November 2013
Moscow, Russian Federation

OA O GAZPROM
IFRS CONSOLIDATED INTERIM CONDENSED BALANCE SHEET (UNAUDITED)
AS OF 30 JUNE 2013
(In millions of Russian Roubles)

Notes		30 June 2013	31 December 2012 (restated)	1 January 2012 (restated)
	Assets			
	Current assets			
6	Cash and cash equivalents	713,201	425,720	504,766
6	Restricted cash	2,196	5,530	6,290
21	Short-term financial assets	17,154	16,962	23,991
7	Accounts receivable and prepayments	872,969	940,732	782,562
8	Inventories	521,119	462,746	411,108
	VAT recoverable	287,499	395,368	303,454
	Other current assets	<u>268,538</u>	<u>173,745</u>	<u>216,122</u>
		2,682,676	2,420,803	2,248,293
	Non-current assets			
9	Property, plant and equipment	8,221,881	7,949,170	6,852,103
10	Investments in associated undertakings and joint ventures	513,675	541,113	608,775
11	Long-term accounts receivable and prepayments	456,510	479,138	504,671
21	Available-for-sale long-term financial assets	158,012	161,704	181,138
12	Other non-current assets	<u>523,066</u>	<u>404,908</u>	<u>391,160</u>
		9,873,144	9,536,033	8,537,847
	Total assets	12,555,820	11,956,836	10,786,140
	Liabilities and equity			
	Current liabilities			
	Accounts payable and accrued charges	833,329	1,038,993	804,602
	Current profit tax payable	5,236	7,990	44,115
	Other taxes payable	126,285	122,450	100,324
	Short-term borrowings, promissory notes and current portion of long-term borrowings	<u>310,432</u>	<u>322,633</u>	<u>362,536</u>
		1,275,282	1,492,066	1,311,577
	Non-current liabilities			
13	Long-term borrowings	1,309,198	1,177,959	1,174,283
20	Provisions for liabilities and charges	320,510	336,543	264,466
14	Deferred tax liability	547,957	443,804	417,895
	Other non-current liabilities	<u>49,761</u>	<u>26,519</u>	<u>47,699</u>
		2,227,426	1,984,825	1,904,343
	Total liabilities	3,502,708	3,476,891	3,215,920
	Equity			
15	Share capital	325,194	325,194	325,194
15	Treasury shares	(104,190)	(104,094)	(104,605)
	Retained earnings and other reserves	<u>8,534,072</u>	<u>7,949,633</u>	<u>7,052,257</u>
		8,755,076	8,170,733	7,272,846
	Non-controlling interest	<u>298,036</u>	<u>309,212</u>	<u>297,374</u>
	Total equity	9,053,112	8,479,945	7,570,220
	Total liabilities and equity	12,555,820	11,956,836	10,786,140


M.L. Sereda
acting Chairman of the Management Committee
11 November 2013


E.A. Vasilieva
Chief Accountant
11 November 2013

The accompanying notes on pages 6 to 35 are an integral part of this consolidated interim condensed financial information.

OAo GAZPROM
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2013
(In millions of Russian Roubles)

Notes		Three months ended 30 June		Six months ended 30 June	
		2013	2012 (restated)	2013	2012 (restated)
16	Sales	1,106,681	1,005,854	2,568,122	2,231,132
	Net (loss) gain from trading activity	(828)	4,028	3,764	5,518
17	Operating expenses	<u>(768,832)</u>	<u>(689,032)</u>	<u>(1,718,884)</u>	<u>(1,606,607)</u>
	Operating profit	337,021	320,850	853,002	630,043
18	Finance income	11,135	14,241	38,501	153,715
18	Finance expense	(111,187)	(151,929)	(162,479)	(182,008)
10	Share of net income of associated undertakings and joint ventures	14,962	21,045	12,804	64,028
	(Losses) gains on disposal of available-for-sale financial assets	<u>(6)</u>	<u>122</u>	<u>16</u>	<u>(78)</u>
	Profit before profit tax	251,925	204,329	741,844	665,700
	Current profit tax expense	(36,287)	(38,287)	(42,992)	(140,969)
	Deferred profit tax (expense) benefit	<u>(10,385)</u>	<u>(2,963)</u>	<u>(105,447)</u>	<u>9,525</u>
	Profit tax expense	(46,672)	(41,250)	(148,439)	(131,444)
	Profit for the period	205,253	163,079	593,405	534,256
	Other comprehensive income (loss):				
	Items that will not be reclassified to profit or loss:				
	Remeasurements of post-employment benefit obligations	<u>74,870</u>	<u>(2,687)</u>	<u>75,623</u>	<u>(3,768)</u>
	Total items that will not be reclassified to profit or loss	74,870	(2,687)	75,623	(3,768)
	Items that will be reclassified to profit or loss:				
	Gains (losses) arising from change in fair value of available-for-sale financial assets, net of tax	9,586	(25,570)	(2,588)	(22,019)
	Share of other comprehensive income (loss) of associated undertakings and joint ventures	2,960	(2,281)	4,138	(5,039)
	Translation differences	41,808	60,302	49,247	9,064
	Losses from cash flow hedges, net of tax	<u>(5,018)</u>	<u>(12,258)</u>	<u>(3,981)</u>	<u>(6,040)</u>
	Total items that will be reclassified to profit or loss	49,336	20,193	46,816	(24,034)
	Other comprehensive income (loss) for the period, net of tax	124,206	17,506	122,439	(27,802)
	Total comprehensive income for the period	329,459	180,585	715,844	506,454
	Profit attributable to:				
	Owners of OAO Gazprom	202,018	155,994	582,683	517,397
	Non-controlling interest	<u>3,235</u>	<u>7,085</u>	<u>10,722</u>	<u>16,859</u>
		205,253	163,079	593,405	534,256
	Total comprehensive income attributable to:				
	Owners of OAO Gazprom	323,682	169,984	702,329	488,878
	Non-controlling interest	<u>5,777</u>	<u>10,601</u>	<u>13,515</u>	<u>17,576</u>
		329,459	180,585	715,844	506,454
19	Basic and diluted earnings per share for profit attributable to the owners of OAO Gazprom (in Roubles)	8.80	6.80	25.39	22.55

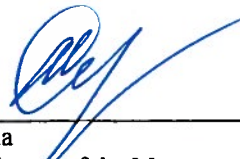
M.L. Sereda
acting Chairman of the Management Committee
11 November 2013

E.A. Vasilieva
Chief Accountant
11 November 2013

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OAO GAZPROM
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF CASH FLOWS
(UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2013
(In millions of Russian Roubles)

Notes	Six months ended 30 June	
	2013	2012 (restated)
	Cash flows from operating activities	
	Profit before profit tax	741,844
	665,700	
	Adjustments to profit before profit tax	
17	Depreciation	210,810
18	Net finance expense	123,978
10	Share of net income of associated undertakings and joint ventures	(12,804)
17	Charge for provisions	46,309
17	Derivatives (gains) losses	(28)
	Other	(17,586)
	Total effect of adjustments	350,679
	Cash flows from operating activities before working capital changes	1,092,523
	Decrease (increase) in non-current assets	4,577
	Increase in non-current liabilities	1,244
	Changes in working capital	(59,693)
	Profit tax paid	(83,109)
	Net cash from operating activities	955,542
	Cash flows from investing activities	
	Capital expenditures	(699,197)
18	Interest paid and capitalised	(30,317)
	Net change in loans issued	1,969
	Acquisition of subsidiaries, net of cash acquired	(26,819)
	Investments in associated undertakings and joint ventures	(4,255)
	Interest received	15,738
	Change in available-for-sale long-term financial assets	(722)
	Proceeds received from associated undertakings and joint ventures	52,158
	Other	(2,514)
	Net cash used in investing activities	(693,959)
	Cash flows from financing activities	
	Proceeds from long-term borrowings	231,600
	Repayment of long-term borrowings (including current portion)	(179,713)
	Net repayment of short-term borrowings	(28,772)
18	Interest paid	(18,076)
	(Purchase) sale of treasury shares	(96)
	Change in restricted cash	3,334
	Net cash from (used in) financing activities	8,277
	Effect of foreign exchange rate changes on cash and cash equivalents	17,621
	Increase in cash and cash equivalents	287,481
6	Cash and cash equivalents at the beginning of reporting period	425,720
6	Cash and cash equivalents at the end of reporting period	713,201

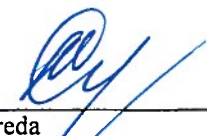

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11 November 2013



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11 November 2013

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OA O GAZPROM
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2013
(In millions of Russian Roubles)

Notes		Number of shares out- standing (billions)	Attributable to the owners of OAO Gazprom				Non- controlling interest	Total equity
			Share capital	Treasury shares	Retained earnings and other reserves	Total		
	Six months ended 30 June 2012							
	Balance as of 31 December 2011 (as reported)	22.9	325,194	(104,605)	7,242,982	7,463,571	297,420	7,760,991
4	Effect of changes in accounting policies		-	-	(190,725)	(190,725)	(46)	(190,771)
	Balance as of 1 January 2012 (restated)	22.9	325,194	(104,605)	7,052,257	7,272,846	297,374	7,570,220
	Profit for the period (restated)		-	-	517,397	517,397	16,859	534,256
20	Other comprehensive (loss) income:							
	Remeasurements of post-employment benefit obligations		-	-	(3,768)	(3,768)	-	(3,768)
	Losses arising from change in fair value of available-for-sale financial assets, net of tax		-	-	(22,019)	(22,019)	-	(22,019)
	Share of other comprehensive loss of associated undertakings and joint ventures		-	-	(5,039)	(5,039)	-	(5,039)
	Translation differences		-	-	8,130	8,130	934	9,064
	Losses from cash flow hedges, net of tax		-	-	(5,823)	(5,823)	(217)	(6,040)
	Total comprehensive income for the six months ended 30 June 2012 (restated)		-	-	488,878	488,878	17,576	506,454
	Acquisition of non-controlling interest in subsidiaries		-	-	-	-	(1,255)	(1,255)
	Net treasury shares transactions		-	480	-	480	-	480
	Return of social assets to governmental authorities		-	-	(2)	(2)	-	(2)
	Dividends declared		-	-	(205,866)	(205,866)	(3,323)	(209,189)
	Balance as of 30 June 2012 (restated)	22.9	325,194	(104,125)	7,335,267	7,556,336	310,372	7,866,708
	Six months ended 30 June 2013							
	Balance as of 31 December 2012 (as reported)	22.9	325,194	(104,094)	8,170,631	8,391,731	309,363	8,701,094
4	Effect of changes in accounting policies		-	-	(220,998)	(220,998)	(151)	(221,149)
	Balance as of 1 January 2013 (restated)	22.9	325,194	(104,094)	7,949,633	8,170,733	309,212	8,479,945
	Profit for the period		-	-	582,683	582,683	10,722	593,405
20	Other comprehensive income (loss):							
	Remeasurements of post-employment benefit obligations		-	-	75,623	75,623	-	75,623
	Losses arising from change in fair value of available-for-sale financial assets, net of tax		-	-	(2,588)	(2,588)	-	(2,588)
	Share of other comprehensive income of associated undertakings and joint ventures		-	-	4,138	4,138	-	4,138
	Translation differences		-	-	46,251	46,251	2,996	49,247
	Losses from cash flow hedges, net of tax		-	-	(3,778)	(3,778)	(203)	(3,981)
	Total comprehensive income for the six months ended 30 June 2013		-	-	702,329	702,329	13,515	715,844
	Acquisition of non-controlling interest in subsidiaries		-	-	50	50	3,835	3,885
	Net treasury shares transactions		-	(96)	-	(96)	-	(96)
	Return of social assets to governmental authorities		-	-	(76)	(76)	-	(76)
	Dividends declared		-	-	(137,464)	(137,464)	(8,926)	(146,390)
	Acquisition of shares in subsidiaries		-	-	19,600	19,600	(19,600)	-
	Balance as of 30 June 2013	22.9	325,194	(104,190)	8,534,072	8,755,076	298,036	9,053,112


M.L. Sereda
acting Chairman of the Management Committee
11 November 2013


E.A. Vasilieva
Chief Accountant
11 November 2013

The accompanying notes on pages 6 to 35 are an integral part of this consolidated interim condensed financial information.

OAo GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 JUNE 2013
(In millions of Russian Roubles)

1 NATURE OF OPERATIONS

OAo Gazprom and its subsidiaries (the “Group”) operate one of the largest gas pipeline systems in the world and are responsible for major part of gas production and high pressure gas transportation in the Russian Federation. The Group is also a major supplier of gas to European countries. The Group is engaged in oil production, refining activities, electric and heat energy generation. The Government of the Russian Federation is the ultimate controlling party of OAo Gazprom and has a controlling interest (including both direct and indirect ownership) of over 50% in OAo Gazprom.

The Group is involved in the following principal activities:

- Exploration and production of gas;
- Transportation of gas;
- Sales of gas within Russian Federation and abroad;
- Gas storage;
- Production of crude oil and gas condensate;
- Processing of oil, gas condensate and other hydrocarbons, and sales of refined products; and
- Electric and heat energy generation and sales.

Other activities primarily include production of other goods, works and services.

The gas business is subject to seasonal fluctuations with peak demand in the first and fourth quarters of each year. Typically approximately 30% of total annual gas volumes are shipped in the first calendar quarter and approximately 20% in the second calendar quarter.

2 ECONOMIC ENVIRONMENT IN THE RUSSIAN FEDERATION

The Russian Federation displays certain characteristics of an emerging market. Tax, currency and customs legislation is subject to varying interpretations and contributes to the challenges faced by companies operating in the Russian Federation.

The ongoing uncertainty and volatility of the financial markets, in particular in Europe, and other risks could have significant negative effects on the Russian financial and corporate sectors. Management determined impairment provisions by considering the economic situation.

The future economic development of the Russian Federation is dependent upon external factors and internal measures undertaken by the government to sustain growth, and to change the tax, legal and regulatory environment. Management believes it is taking all necessary measures to support the sustainability and development of the Group’s business in the current business and economic environment.

3 BASIS OF PRESENTATION

This consolidated interim condensed financial information is prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”). The consolidated interim condensed financial information should be read in conjunction with the consolidated financial statements for the year ended 31 December 2012 prepared in accordance with International Financial Reporting Standards (“IFRS”).

The official Russian Rouble (“RR”) to US dollar (“USD”) foreign exchange rates as determined by the Central Bank of the Russian Federation were 32.71 and 32.82 as of 30 June 2013 and 2012, respectively, 30.37 and 32.20 as of 31 December 2012 and 2011, respectively. The official RR to Euro foreign exchange rates as determined by the Central Bank of the Russian Federation were 42.72 and 41.32 as of 30 June 2013 and 2012, respectively, 40.23 and 41.67 as of 31 December 2012 and 2011, respectively.

OA O GAZPROM
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 JUNE 2013
(In millions of Russian Roubles)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The principal accounting policies followed by the Group and the critical accounting estimates in applying accounting policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2012, except as described below.

Profit tax in the interim periods is accrued using a tax rate that would be applicable to expected total annual earnings.

New accounting developments

In 2013 the Group has adopted all IFRS, amendments and interpretations which are effective 1 January 2013 and which are relevant to its operations.

The Group adopted a set of standards on consolidation: IFRS 10 “Consolidated Financial Statements” (“IFRS 10”), IFRS 11 “Joint Arrangements” (“IFRS 11”), IFRS 12 “Disclosure of Interests in Other Entities” (“IFRS 12”). The set of new standards introduces the new model of control and treatment of joint arrangements and also new disclosure requirements. As a result of the application of the set the Group has changed its method of accounting for certain joint arrangements from the equity method of accounting to accounting for the assets, liabilities, revenues and expenses relating to the Group’s interest in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses. This change required retrospective restatement of the statement of comprehensive income, balance sheet and cash flows. The nature and the impact of revised standard are described below.

The application of IFRS 12 will result in additional disclosures in the annual consolidated financial statements.

Amendments to IAS 1 “Presentation of Financial Statements” (“IAS 1”) introduced grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified. The amendment affected presentation only and had no impact on the Group’s financial position or results of operations.

IFRS 13 “Fair Value Measurement” (IFRS 13) established a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements of the Group. IFRS 13 also requires specific disclosures of fair values. Some of these disclosures are specifically required for the interim condensed consolidated financial statements. The Group made these disclosures in Note 21.

IAS 19 (revised) “Employee Benefits” (IAS 19 revised) made significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. The nature and the impact of revised standard are described below.

Several other new standards and amendments adopted in 2013 are amended IFRS 7 “Financial Instruments: Disclosure” (“IFRS 7”), and IAS 32 “Financial Instrument: Presentation” (“IAS 32”), amendments resulting from Annual Improvements 2009-2011 cycle to IAS 1, IAS 16 “Property, Plant and Equipment” (“IAS 16”), IAS 32, IAS 34. Application of these standards and amendments had no significant impact on the Group’s financial position or results of operations.

(a) Adoption of IFRS 11 “Joint Arrangements”

Under IFRS 11 joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures, except for its investments in OAO Tomskneft VNK, Salym Petroleum Development N.V. and Blue Stream Pipeline company B.V., which were determined to be joint operations. The joint arrangements determined to be joint ventures will continue to be accounted for under the equity method of accounting. In accordance with the transition provisions of IFRS 11, the Group has applied the new policy for interests in joint operations. The Group derecognised the investments that were previously accounted for using the equity method and recognised its share of each of the assets and the liabilities in respect of the interest in the joint operations.

The Group measured the initial carrying amount of the assets and liabilities by disaggregating them from the carrying amount of the investment as of 1 January 2012 on the basis of the information used in applying the equity method.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(continued)

(b) Adoption of IAS 19 (revised) “Employee benefits”

From 1 January 2013 the Group has applied IAS 19 (revised) retrospectively in accordance with the transition provisions of the standard. The standard makes significant changes to the recognition and measurement of defined benefit pension expenses and to disclosures of all employee benefits.

The material impacts of IAS 19 (revised) on the Group’s condensed consolidated interim financial information are as follows:

- “Actuarial gains and losses” are renamed “remeasurements” and now are recognized immediately in “other comprehensive income” (OCI) and thus, will no longer be deferred using the corridor approach or recognised in profit or loss. As the result, unrecognised actuarial losses in the amount of RR 142,587 and RR 174,447 as of 1 January 2012 and 31 December 2012, respectively, were recorded within retained earnings and other reserves. Correspondingly, the net defined benefit assets/liabilities have changed for those amounts. There was no significant impact on profit or loss for the three and six months ended 30 June 2012.
- Past service costs are now recognized immediately through profit or loss when they occur, in the period of a plan amendment. This is resulted in unrecognised past service costs in the amount of RR 47,124 and RR 43,216 as of 1 January 2012 and 31 December 2012, respectively, being expensed within retained earnings and other reserves. Unvested benefits will no longer be spread over a future-service period. There was no significant impact on profit or loss for the three and six months ended 30 June 2012.

The effect of these changes on the consolidated balance sheet is summarized in the following table:

	1 January 2012		31 December 2012	
	Funded benefits - provided through NPF Gazfund	Unfunded liabilities - other benefits	Funded benefits - provided through NPF Gazfund	Unfunded liabilities - other benefits
Net balance asset (liability)				
(previously reported)	248,001	(95,678)	214,838	(111,052)
Recognition of actuarial losses	(136,585)	(6,002)	(130,459)	(43,988)
Recognition of past service costs	-	(47,124)	-	(43,216)
Net balance asset (liability)				
(restated)	111,416	(148,804)	84,379	(198,256)

- The standard replaces the interest cost on the defined benefit obligations and the expected return on plan assets with a net interest expense or income based on the net defined benefit assets or liability and the discount rate, measured at the beginning of the year. This resulted in a decrease in operating expenses in the amount of RR 4,734 and RR 9,451 for the three and six months ended 30 June 2012, respectively.

The total effect of the adoption of IFRS 11 and IAS 19 (revised) on the financial statements is shown below.

All changes in the accounting policies have been made in accordance with IAS 8 “Accounting policies, changes in accounting estimates and errors” (“IAS 8”), which requires retrospective application unless the new standard requires otherwise.

ОАО ГАЗПРОМ
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED) – 30 JUNE 2013
(In millions of Russian Roubles)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

Notes	Reconciliation of consolidated balance sheet as of 1 January 2012	Previously reported	Adjustment due to change in accounting policy		Restated
			for joint operations	for pension and post- employment benefits	
	Assets				
	Current assets				
	Cash and cash equivalents	501,344	3,422	-	504,766
	Restricted cash	3,877	2,413	-	6,290
	Short-term financial assets	23,991	-	-	23,991
	Accounts receivable and prepayments	784,053	(1,491)	-	782,562
	Inventories	407,530	3,578	-	411,108
	VAT recoverable	303,454	-	-	303,454
	Other current assets	<u>216,044</u>	<u>78</u>	<u>-</u>	<u>216,122</u>
		2,240,293	8,000	-	2,248,293
	Non-current assets				
9	Property, plant and equipment	6,718,575	133,528	-	6,852,103
	Investments in associated undertakings and joint ventures	715,966	(107,191)	-	608,775
	Long-term accounts receivable and prepayments	517,097	(12,426)	-	504,671
	Available-for-sale long-term financial assets	181,138	-	-	181,138
	Other non-current assets	<u>527,627</u>	<u>118</u>	<u>(136,585)</u>	<u>391,160</u>
		8,660,403	14,029	(136,585)	8,537,847
	Total assets	10,900,696	22,029	(136,585)	10,786,140
	Liabilities and equity				
	Current liabilities				
	Accounts payable and accrued charges	804,644	(42)	-	804,602
	Current profit tax payable	44,036	79	-	44,115
	Other taxes payable	93,707	6,617	-	100,324
	Short-term borrowings, promissory notes and current portion of long-term borrowings	<u>366,868</u>	<u>(4,332)</u>	<u>-</u>	<u>362,536</u>
		1,309,255	2,322	-	1,311,577
	Non-current liabilities				
	Long-term borrowings	1,173,294	989	-	1,174,283
	Provisions for liabilities and charges	206,734	4,606	53,126	264,466
14	Deferred tax liability	402,728	15,167	-	417,895
	Other non-current liabilities	<u>47,694</u>	<u>5</u>	<u>-</u>	<u>47,699</u>
		1,830,450	20,767	53,126	1,904,343
	Total liabilities	3,139,705	23,089	53,126	3,215,920
	Equity				
	Share capital	325,194	-	-	325,194
	Treasury shares	(104,605)	-	-	(104,605)
	Retained earnings and other reserves	<u>7,242,982</u>	<u>(1,014)</u>	<u>(189,711)</u>	<u>7,052,257</u>
		7,463,571	(1,014)	(189,711)	7,272,846
	Non-controlling interest	<u>297,420</u>	<u>(46)</u>	<u>-</u>	<u>297,374</u>
	Total equity	7,760,991	(1,060)	(189,711)	7,570,220
	Total liabilities and equity	10,900,696	22,029	(136,585)	10,786,140

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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

Notes	Reconciliation of consolidated balance sheet as of 31 December 2012	Previously reported	Adjustment due to change in accounting policy		Restated
			for joint operations	for pension and post- employment benefits	
	Assets				
	Current assets				
6	Cash and cash equivalents	419,536	6,184	-	425,720
6	Restricted cash	3,658	1,872	-	5,530
21	Short-term financial assets	16,962	-	-	16,962
7	Accounts receivable and prepayments	940,106	626	-	940,732
8	Inventories	459,534	3,212	-	462,746
	VAT recoverable	395,250	118	-	395,368
	Other current assets	<u>173,700</u>	<u>45</u>	<u>-</u>	<u>173,745</u>
		2,408,746	12,057	-	2,420,803
	Non-current assets				
9	Property, plant and equipment	7,818,392	130,778	-	7,949,170
10	Investments in associated undertakings and joint ventures	653,187	(112,074)	-	541,113
11	Long-term accounts receivable and prepayments	491,018	(11,880)	-	479,138
21	Available-for-sale long-term financial assets	161,701	3	-	161,704
12	Other non-current assets	<u>535,095</u>	<u>272</u>	<u>(130,459)</u>	<u>404,908</u>
		9,659,393	7,099	(130,459)	9,536,033
	Total assets	12,068,139	19,156	(130,459)	11,956,836
	Liabilities and equity				
	Current liabilities				
	Accounts payable and accrued charges	1,040,274	(1,281)	-	1,038,993
	Current profit tax payable	7,463	527	-	7,990
	Other taxes payable	115,273	7,177	-	122,450
	Short-term borrowings, promissory notes and current portion of long-term borrowings	<u>326,807</u>	<u>(4,174)</u>	<u>-</u>	<u>322,633</u>
		1,489,817	2,249	-	1,492,066
	Non-current liabilities				
13	Long-term borrowings	1,177,934	25	-	1,177,959
20	Provisions for liabilities and charges	243,506	5,833	87,204	336,543
14	Deferred tax liability	429,305	14,499	-	443,804
	Other non-current liabilities	<u>26,483</u>	<u>36</u>	<u>-</u>	<u>26,519</u>
		1,877,228	20,393	87,204	1,984,825
	Total liabilities	3,367,045	22,642	87,204	3,476,891
	Equity				
15	Share capital	325,194	-	-	325,194
15	Treasury shares	(104,094)	-	-	(104,094)
	Retained earnings and other reserves	<u>8,170,631</u>	<u>(3,335)</u>	<u>(217,663)</u>	<u>7,949,633</u>
		8,391,731	(3,335)	(217,663)	8,170,733
	Non-controlling interest	<u>309,363</u>	<u>(151)</u>	<u>-</u>	<u>309,212</u>
	Total equity	8,701,094	(3,486)	(217,663)	8,479,945
	Total liabilities and equity	12,068,139	19,156	(130,459)	11,956,836

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Notes	Reconciliation of consolidated condensed statement of comprehensive income for the three months ended 30 June 2012	Previously reported	Adjustment due to change in accounting policy		Restated
			for joint operations	for pension and post-employment benefits	
16	Sales	1,005,488	366	-	1,005,854
	Net gain from trading activity	4,028	-	-	4,028
17	Operating expenses	(696,350)	2,150	5,168	(689,032)
	Operating profit	313,166	2,516	5,168	320,850
18	Finance income	14,192	49	-	14,241
18	Finance expense	(152,022)	93	-	(151,929)
10	Share of net income (loss) of associated undertakings and joint ventures	23,319	(2,274)	-	21,045
	Gains on disposal of available-for-sale financial assets	122	-	-	122
	Profit before profit tax	198,777	384	5,168	204,329
	Current profit tax expense	(37,754)	(533)	-	(38,287)
	Deferred profit tax (expense) benefit	(3,112)	149	-	(2,963)
	Profit tax expense	(40,866)	(384)	-	(41,250)
	Profit for the period	157,911	-	5,168	163,079
	Other comprehensive (loss) income				
	Items that will not be reclassified to profit or loss:				
	Remeasurements of post-employment benefit obligations	-	-	(2,687)	(2,687)
	Total items that will not be reclassified to profit or loss	-	-	(2,687)	(2,687)
	Items that will be reclassified to profit or loss:				
	Losses arising from change in fair value of available-for-sale financial assets, net of tax	(25,570)	-	-	(25,570)
	Share of other comprehensive loss of associated undertakings and joint ventures	(2,281)	-	-	(2,281)
	Translation differences	55,456	4,846	-	60,302
	Losses from cash flow hedges, net of tax	(12,258)	-	-	(12,258)
	Total items that will be reclassified to profit or loss	15,347	4,846	-	20,193
	Other comprehensive income (loss) for the period, net of tax	15,347	4,846	(2,687)	17,506
	Total comprehensive income for the period	173,258	4,846	2,481	180,585
	Profit attributable to:				
	Owners of OAO Gazprom	150,826	-	5,168	155,994
	Non-controlling interest	7,085	-	-	7,085
		157,911	-	5,168	163,079
	Total comprehensive income attributable to:				
	Owners of OAO Gazprom	162,866	4,637	2,481	169,984
	Non-controlling interest	10,392	209	-	10,601
		173,258	4,846	2,481	180,585
19	Basic and diluted earnings per share for profit attributable to the owners of OAO Gazprom (in Roubles)	6.57	-	0.23	6.80

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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

Notes	Reconciliation of consolidated condensed statement of comprehensive income for the six months ended 30 June 2012	Previously reported	Adjustment due to change in accounting policy		Restated
			for joint operations	for pension and post-employment benefits	
16	Sales	2,230,366	766	-	2,231,132
	Net gain from trading activity	5,518	-	-	5,518
17	Operating expenses	<u>(1,623,751)</u>	<u>8,414</u>	<u>8,730</u>	<u>(1,606,607)</u>
	Operating profit	612,133	9,180	8,730	630,043
18	Finance income	153,393	322	-	153,715
18	Finance expense	(182,063)	55	-	(182,008)
10	Share of net income (loss) of associated undertakings and joint ventures	71,689	(7,661)	-	64,028
	Losses on disposal of available-for-sale financial assets	<u>(78)</u>	<u>-</u>	<u>-</u>	<u>(78)</u>
	Profit before profit tax	655,074	1,896	8,730	665,700
	Current profit tax expense	(139,132)	(1,837)	-	(140,969)
	Deferred profit tax benefit (expense)	<u>9,584</u>	<u>(59)</u>	<u>-</u>	<u>9,525</u>
	Profit tax expense	<u>(129,548)</u>	<u>(1,896)</u>	<u>-</u>	<u>(131,444)</u>
	Profit for the period	525,526	-	8,730	534,256
	Other comprehensive (loss) income				
	Items that will not be reclassified to profit or loss:				
	Remeasurements of post-employment benefit obligations	<u>-</u>	<u>-</u>	<u>(3,768)</u>	<u>(3,768)</u>
	Total items that will not be reclassified to profit or loss	-	-	(3,768)	(3,768)
	Items that will be reclassified to profit or loss:				
	Losses arising from change in fair value of available-for-sale financial assets, net of tax	(22,019)	-	-	(22,019)
	Share of other comprehensive loss of associated undertakings and joint ventures	(5,039)	-	-	(5,039)
	Translation differences	8,037	1,027	-	9,064
	Losses from cash flow hedges, net of tax	<u>(6,040)</u>	<u>-</u>	<u>-</u>	<u>(6,040)</u>
	Total items that will be reclassified to profit or loss	(25,061)	1,027	-	(24,034)
	Other comprehensive loss for the period, net of tax	(25,061)	1,027	(3,768)	(27,802)
	Total comprehensive income for the period	500,465	1,027	4,962	506,454
	Profit attributable to:				
	Owners of OAO Gazprom	508,667	-	8,730	517,397
	Non-controlling interest	<u>16,859</u>	<u>-</u>	<u>-</u>	<u>16,859</u>
		525,526	-	8,730	534,256
	Total comprehensive income attributable to:				
	Owners of OAO Gazprom	482,933	983	4,962	488,878
	Non-controlling interest	<u>17,532</u>	<u>44</u>	<u>-</u>	<u>17,576</u>
		500,465	1,027	4,962	506,454
19	Basic and diluted earnings per share for profit attributable to the owners of OAO Gazprom (in Roubles)	22.16	-	0.39	22.55

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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

Reconciliation of consolidated condensed statement of cash flows for the six months ended 30 June 2012	Previously reported	Adjustment due to change in accounting policy		Restated
		for joint operations	for pension and post-employment benefits	
Net cash from operating activities	725,138	14,023	-	739,161
Net cash used in investing activities	(629,278)	(8,234)	-	(637,512)
Net cash used in financing activities	(87,415)	(3,112)	-	(90,527)
Effect of foreign exchange rate changes on cash and cash equivalents	<u>3,020</u>	<u>40</u>	<u>-</u>	<u>3,060</u>
Increase in cash and cash equivalents	11,465	2,717	-	14,182

5 SEGMENT INFORMATION

The Group operates as a vertically integrated business with substantially all external gas sales generated by the Distribution segment.

The Board of Directors and Management Committee of OAO Gazprom (chief operating decision maker (CODM)) provide general management of the Group, an assessment of the operating results and allocate resources using different internal financial information.

Based on that the following reportable segments within the Group were determined:

- Production of gas – exploration and production of gas;
- Transport – transportation of gas;
- Distribution – sales of gas within Russian Federation and abroad;
- Gas storage – storage of extracted and purchased gas in underground gas storages;
- Production of crude oil and gas condensate – exploration and production of oil and gas condensate, sales of crude oil and gas condensate;
- Refining – processing of oil, gas condensate and other hydrocarbons, and sales of refined products; and
- Electric and heat energy generation and sales.

Other activities have been included within “All other segments” column.

The inter-segment sales mainly consist of:

- Production of gas – sales of gas to the Distribution and Refining segments;
- Transport – rendering transportation services to the Distribution segment;
- Distribution – sales of gas to the Transport segment for own needs and to the Electric and heat energy generation and sales segment;
- Gas storage – sales of gas storage services to Distribution segment;
- Production of crude oil and gas condensate – sales of oil and gas condensate to the Refining segment for further processing; and
- Refining – sales of refined hydrocarbon products to other segments.

Internal transfer prices, mostly for Production of gas, Transport and Gas storage segments, are established by the management of the Group with the objective of providing specific funding requirements of the individual subsidiaries within each segment.

The CODM assesses the performance, assets and liabilities of the operating segments based on the internal financial reporting. The effects of certain non-recurring transactions and events, such as business acquisitions, and the effects of some adjustments that may be considered necessary to reconcile the internal financial information to IFRS consolidated financial statements are not included within the operating segments which are reviewed by the CODM on a central basis. Gains and losses on available-for-sale financial assets, and financial income and expenses are also not allocated to the operating segments.

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5 SEGMENT INFORMATION (continued)

	Production of gas	Transport	Distribution	Gas storage	Production of crude oil and gas condensate	Refining	Electric and heat energy generation and sales	All other segments	Total
Six months ended 30 June 2013									
Total segment revenues	<u>311,279</u>	<u>453,878</u>	<u>1,596,566</u>	<u>18,055</u>	<u>322,796</u>	<u>645,032</u>	<u>179,566</u>	<u>108,759</u>	<u>3,635,931</u>
Inter-segment sales	306,942	373,383	112,486	17,426	223,007	5,389	-	-	1,038,633
External sales	4,337	80,495	1,484,080	629	99,789	639,643	179,566	108,759	2,597,298
Segment result	<u>21,378</u>	<u>37,978</u>	<u>515,742</u>	<u>3,520</u>	<u>55,274</u>	<u>86,276</u>	<u>24,126</u>	<u>(15,688)</u>	<u>728,606</u>
Depreciation	65,853	184,580	6,445	7,477	41,644	18,054	11,963	10,255	346,271
Share of net income (loss) of associated undertakings and joint ventures	727	755	6,237	101	2,551	(1,975)	-	4,408	12,804
Six months ended 30 June 2012 (restated)									
Total segment revenues	<u>261,668</u>	<u>386,358</u>	<u>1,356,643</u>	<u>14,553</u>	<u>342,416</u>	<u>549,084</u>	<u>177,136</u>	<u>109,081</u>	<u>3,196,939</u>
Inter-segment sales	257,085	326,079	117,100	14,034	212,646	4,805	-	-	931,749
External sales	4,583	60,279	1,239,543	519	129,770	544,279	177,136	109,081	2,265,190
Segment result	<u>11,471</u>	<u>22,711</u>	<u>317,684</u>	<u>1,536</u>	<u>75,890</u>	<u>50,094</u>	<u>18,609</u>	<u>1,113</u>	<u>499,108</u>
Depreciation	54,884	164,967	5,170	6,650	29,951	14,959	10,177	9,568	296,326
Share of net income (loss) of associated undertakings and joint ventures	579	1,548	10,468	(238)	40,820	4,995	-	5,856	64,028
	Production of gas	Transport	Distribution	Gas storage	Production of crude oil and gas condensate	Refining	Electric and heat energy generation and sales	All other segments	Total
Three months ended 30 June 2013									
Total segment revenues	<u>148,388</u>	<u>226,196</u>	<u>623,473</u>	<u>9,698</u>	<u>155,878</u>	<u>322,963</u>	<u>72,715</u>	<u>53,534</u>	<u>1,612,845</u>
Inter-segment sales	146,528	186,933	40,735	9,479	108,369	2,498	-	-	494,542
External sales	1,860	39,263	582,738	219	47,509	320,465	72,715	53,534	1,118,303
Segment result	<u>10,160</u>	<u>18,263</u>	<u>168,562</u>	<u>1,934</u>	<u>31,445</u>	<u>50,204</u>	<u>4,670</u>	<u>(8,599)</u>	<u>276,639</u>
Depreciation	32,830	92,022	3,359	3,718	15,808	9,711	5,994	4,959	168,401
Share of net income (loss) of associated undertakings and joint ventures	208	275	1,487	(38)	10,215	190	-	2,625	14,962
Three months ended 30 June 2012 (restated)									
Total segment revenues	<u>128,837</u>	<u>200,566</u>	<u>565,646</u>	<u>7,813</u>	<u>158,139</u>	<u>290,593</u>	<u>64,572</u>	<u>52,808</u>	<u>1,468,974</u>
Inter-segment sales	126,744	172,346	45,103	7,622	94,020	2,285	-	-	448,120
External sales	2,093	28,220	520,543	191	64,119	288,308	64,572	52,808	1,020,854
Segment result	<u>8,068</u>	<u>19,147</u>	<u>148,947</u>	<u>979</u>	<u>31,429</u>	<u>36,912</u>	<u>2,143</u>	<u>4,598</u>	<u>252,223</u>
Depreciation	27,233	82,244	2,704	3,318	15,323	7,686	5,009	5,186	148,703
Share of net income (loss) of associated undertakings and joint ventures	270	1,029	4,172	(238)	13,914	2,324	-	(426)	21,045

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5 SEGMENT INFORMATION (continued)

A reconciliation of total operating segment results to total profit before profit tax in statement of comprehensive income:

	For the three months ended 30 June		For the six months ended 30 June	
	2013	2012 (restated)	2013	2012 (restated)
Segment result for reportable segment	285,238	247,625	744,294	497,995
Other segments' result	(8,599)	4,598	(15,688)	1,113
Segment result	276,639	252,223	728,606	499,108
Difference in depreciation	67,464	66,948	135,461	131,964
(Expenses) gains associated with pension obligations	(5,229)	143	(7,162)	(691)
Net finance expense	(100,052)	(137,688)	(123,978)	(28,293)
(Losses) gains on disposal of available-for-sale financial assets	(6)	122	16	(78)
Share of net income of associated undertakings and joint ventures	14,962	21,045	12,804	64,028
Other	(1,853)	1,536	(3,903)	(338)
Profit before profit tax	251,925	204,329	741,844	665,700

A reconciliation of reportable segments' external sales to sales in statement of comprehensive income is provided as follows:

	For the three months ended 30 June		For the six months ended 30 June	
	2013	2012 (restated)	2013	2012 (restated)
External sales for reportable segments	1,064,769	968,046	2,488,539	2,156,109
External sales for other segments	53,534	52,808	108,759	109,081
Total external segment sales	1,118,303	1,020,854	2,597,298	2,265,190
Differences in external sales	(11,622)	(15,000)	(29,176)	(34,058)
Total sales per the statement of comprehensive income	1,106,681	1,005,854	2,568,122	2,231,132

Substantially all of the Group's operating assets are located in the Russian Federation. Segment assets consist primarily of property, plant and equipment, accounts receivable and prepayments, investments in associated undertakings and joint ventures, and inventories. Cash and cash equivalents, restricted cash, VAT recoverable, financial assets and other current and non-current assets are not considered to be segment assets but rather are managed on a central basis.

	Production of gas	Transport	Distribution	Gas storage	Production of crude oil and gas condensate	Refining	Electric and heat energy generation and sales	All other segments	Total
30 June 2013									
Segment assets	1,927,508	5,200,287	1,159,751	218,361	1,405,404	1,107,944	610,671	589,951	12,219,877
Investments in associated undertakings and jointly controlled entities	30,760	60,946	74,413	4,438	223,879	15,067	448	103,724	513,675
Capital additions*	73,128	122,760	10,472	8,343	118,474	44,618	33,327	26,376	437,498
31 December 2012 (restated)									
Segment assets	1,875,535	5,275,864	1,217,828	220,581	1,399,797	1,048,925	592,251	587,508	12,218,289
Investments in associated undertakings and jointly controlled entities	27,699	54,197	74,170	4,025	262,202	17,253	448	101,119	541,113
Capital additions**	232,705	563,825	47,166	18,247	121,167	134,163	54,851	61,086	1,233,210

* Capital additions for the six months ended 30 June 2013.

** Capital additions for the year ended 31 December 2012.

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5 SEGMENT INFORMATION (continued)

Reportable segments' assets are reconciled to total assets in balance sheet as follows:

	30 June 2013	31 December 2012 (restated)
Segment assets for reportable segments	11,629,926	11,630,781
Other segments' assets	589,951	587,508
Total segment assets	12,219,877	12,218,289
Differences in property, plant and equipment, net*	(1,715,650)	(1,850,808)
Loan interest capitalised	350,180	323,480
Decommissioning costs	90,934	91,281
Cash and cash equivalents	713,201	425,720
Restricted cash	2,196	5,530
Short-term financial assets	17,154	16,962
VAT recoverable	287,499	395,368
Other current assets	268,538	173,745
Available-for-sale long-term financial assets	158,012	161,704
Other non-current assets	523,066	404,908
Inter-segment assets	(533,728)	(645,226)
Other	174,541	235,883
Total assets per the balance sheet	12,555,820	11,956,836

* The difference in property, plant and equipment relates to adjustments of statutory fixed assets to comply with IFRS, such as reversal of revaluation of fixed assets recorded under Russian statutory accounting or accounting for historical hyperinflation which is not recorded under statutory accounting.

Segment liabilities mainly comprise operating liabilities. Profit tax payable, deferred tax liabilities, provisions for liabilities and charges, short-term and long-term borrowings, including current portion of long-term borrowings, short-term and long-term promissory notes payable and other non-current liabilities are managed on a central basis.

	Production of gas	Transport	Distri- bution	Gas storage	Production of crude oil and gas condensate	Refining	Electric and heat energy genera- tion and sales	All other segments	Total
Segment liabilities									
30 June 2013	99,170	197,638	479,035	5,639	187,599	232,755	32,826	81,814	1,316,476
31 December 2012 (restated)	135,554	426,987	599,617	9,844	165,515	260,159	32,360	146,937	1,776,973

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5 SEGMENT INFORMATION (continued)

Reportable segments' liabilities are reconciled to total liabilities in balance sheet as follows:

	30 June 2013	31 December 2012 (restated)
Segment liabilities for reportable segments	1,234,662	1,630,036
Other segments' liabilities	81,814	146,937
Total segments liabilities	1,316,476	1,776,973
Current profit tax payable	5,236	7,990
Short-term borrowings, promissory notes and current portion of long-term borrowings	310,432	322,633
Long-term borrowings	1,309,198	1,177,959
Provisions for liabilities and charges	320,510	336,543
Deferred tax liabilities	547,957	443,804
Other non-current liabilities	49,761	26,519
Dividends	147,386	1,779
Inter-segment liabilities	(533,728)	(645,226)
Other	29,480	27,917
Total liabilities per the balance sheet	3,502,708	3,476,891

6 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Balances included within cash and cash equivalents in the consolidated interim condensed balance sheet represent cash on hand, balances with banks and term deposits with original maturity of three months or less.

	30 June 2013	31 December 2012 (restated)
Cash on hand and bank balances payable on demand	606,311	315,503
Term deposits with original maturity of three months or less	106,890	110,217
	713,201	425,720

Restricted cash balances include cash and cash equivalents restricted as to withdrawal under the terms of certain borrowings of RR nil and RR 3,658 as of 30 June 2013 and 31 December 2012, respectively.

7 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	30 June 2013	31 December 2012 (restated)
Trade receivables	586,130	654,262
Prepayments and advances	129,585	141,833
Other receivables	157,254	144,637
	872,969	940,732

Accounts receivable and prepayments are presented net of impairment provision of RR 302,392 and RR 273,620 as of 30 June 2013 and 31 December 2012, respectively.

8 INVENTORIES

Inventories are presented net of provision for obsolescence of RR 4,608 and RR 4,476 as of 30 June 2013 and 31 December 2012, respectively.

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9 PROPERTY, PLANT AND EQUIPMENT

	Total production assets (including production licenses)	Social assets	Assets under construction	Total
As of 31 December 2011 (restated)				
Cost	8,088,198	89,055	1,835,541	10,012,794
Accumulated depreciation	<u>(3,130,846)</u>	<u>(29,845)</u>	-	<u>(3,160,691)</u>
Net book value as of 31 December 2011 (restated)	4,957,352	59,210	1,835,541	6,852,103
Six months ended 30 June 2012				
Net book value as of 31 December 2011	4,957,352	59,210	1,835,541	6,852,103
Depreciation	(165,414)	(1,243)	-	(166,657)
Additions	4,695	1,229	498,814	504,738
Acquisition of subsidiaries	32,371	-	15,789	48,160
Translation differences	2,320	30	(741)	1,609
Transfers	193,492	300	(193,792)	-
Disposals	(11,679)	(483)	(5,021)	(17,183)
Release of impairment provision	-	-	861	861
Net book value as of 30 June 2012 (restated)	5,013,137	59,043	2,151,451	7,223,631
Six months ended 31 December 2012				
Net book value as of 30 June 2012	5,013,137	59,043	2,151,451	7,223,631
Depreciation	(176,507)	(1,280)	-	(177,787)
Additions	18,505	44	825,827	844,376
Acquisition of subsidiaries	17,670	-	34,679	52,349
Translation differences	(15,354)	(64)	(858)	(16,276)
Transfers	1,464,297	3,657	(1,467,954)	-
Disposals	(12,300)	(397)	(13,499)	(26,196)
Release of impairment provision	340	-	48,733	49,073
Net book value as of 31 December 2012 (restated)	6,309,788	61,003	1,578,379	7,949,170
As of 31 December 2012				
Cost	9,788,646	93,181	1,578,379	11,460,206
Accumulated depreciation	<u>(3,478,858)</u>	<u>(32,178)</u>	-	<u>(3,511,036)</u>
Net book value as of 31 December 2012 (restated)	6,309,788	61,003	1,578,379	7,949,170
Six months ended 30 June 2013				
Net book value as of 31 December 2012	6,309,788	61,003	1,578,379	7,949,170
Depreciation	(208,852)	(1,333)	-	(210,185)
Additions	14,797	1,212	461,230	477,239
Acquisition of subsidiaries	2,853	-	3,139	5,992
Translation differences	14,275	15	948	15,238
Transfers	138,968	136	(139,104)	-
Disposals	(7,394)	(404)	(5,034)	(12,832)
Disposal of subsidiaries	(892)	(20)	(1,610)	(2,522)
Charge for impairment provision	-	-	(219)	(219)
Net book value as of 30 June 2013	6,263,543	60,609	1,897,729	8,221,881
As of 30 June 2013				
Cost	9,954,934	93,848	1,897,729	11,946,511
Accumulated depreciation	<u>(3,691,391)</u>	<u>(33,239)</u>	-	<u>(3,724,630)</u>
Net book value as of 30 June 2013	6,263,543	60,609	1,897,729	8,221,881

Production assets are shown net of provision for impairment of RR 54,047 as of 30 June 2013 and 31 December 2012. Assets under construction are presented net of provision for impairment of RR 43,505 and RR 43,378 as of 30 June 2013 and 31 December 2012, respectively.

Included in the property, plant and equipment are social assets (such as rest houses, housing, schools and medical facilities) vested to the Group at privatisation with a net book value of RR 666 and RR 778 as of 30 June 2013 and 31 December 2012, respectively.

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10 INVESTMENTS IN ASSOCIATED UNDERTAKINGS AND JOINT VENTURES

Notes			Carrying value as of		Group's share of the income(loss) for the six months ended	
			30 June 2013	31 December 2012 (restated)	30 June 2013	30 June 2012 (restated)
23	ОАО НКГК Slavneft and its subsidiaries	Joint venture	121,967	149,208	(23,967)	2,909
23	Gazprombank Group	Associate	87,701	86,569	4,251	5,383
23,24	Sakhalin Energy Investment Company Ltd.	Associate	73,856	88,862	22,185	37,145
23,24	Nord Stream AG	Joint venture	43,090	35,870	993	1,243
23	W & G Beteiligungs-GmbH & Co. KG and its subsidiaries	Associate	36,724	38,216	2,650	2,800
	ООО Yamal razvitie and its subsidiaries	Joint venture	24,167	24,328	(161)	(32)
	Shtokman Development AG	Joint venture	23,294	21,783	(156)	(226)
23,24	SGT EuRoPol GAZ S.A.	Associate	17,038	17,347	(316)	305
23	ТОО KazRosGaz	Joint venture	16,006	12,819	2,111	4,341
	Wintershall AG	Associate	10,732	12,198	1,278	1,465
	ZAO Achimgaz	Joint venture	7,664	5,933	1,731	826
23	АО Latvijas Gaze	Associate	4,816	4,414	159	123
23	АО Gasum	Associate	4,080	4,089	154	203
23	АО Lietuvos dujos	Associate	2,346	2,937	213	205
	ZAO Nortgaz	Joint venture	1,302	1,128	174	171
22,23	ОАО Gazprom neftekhim Salavat*	-	-	-	-	4,269
	Other (net of provision for impairment of RR 1,929 as of 30 June 2013 and 31 December 2012)		<u>38,892</u>	<u>35,412</u>	<u>1,505</u>	<u>2,898</u>
			513,675	541,113	12,804	64,028

* In May 2012 the Group acquired an additional 18.48% interest in ОАО Gazprom neftekhim Salavat. As a result the Group's share in ОАО Gazprom neftekhim Salavat increased to 87.51% and the Group obtained control over ОАО Gazprom neftekhim Salavat. During the period from September 2012 to June 2013 as a result of series of transactions, the Group acquired an additional 12.49% interest in the ordinary shares of ОАО Gazprom neftekhim Salavat for cash consideration of RR 12,476 increasing its interest to 100% (see Note 22).

The Group's share of income of associated undertakings and joint ventures for the six months ended 30 June 2013 includes additional expense of RR 25,961 recognized for ОАО НКГК Slavneft and its subsidiaries as a result of a one-time adjustment in the first quarter of 2013 to correct the prior understatement of depreciation on the basis difference for property, plant and equipment since the Group's acquisition of interest in ОАО НКГК Slavneft.

Summarized financial information on the Group's principal associated undertakings and joint ventures is presented in tables below.

The values, disclosed in the tables, represent total assets, liabilities, revenues, income (loss) of the Group's principal associated undertakings and joint ventures and not the Group's share.

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10 INVESTMENTS IN ASSOCIATED UNDERTAKINGS AND JOINT VENTURES (continued)

	Percent of share capital held	Country of primary operations	As of 30 June 2013		For the six months ended 30 June 2013	
			Assets	Liabilities	Revenues	Income (loss)
Gazprombank Group*	38%	Russia	3,216,861	2,847,400	70,153	11,248
Sakhalin Energy Investment Company Ltd.**	50%	Russia	626,284	463,538	115,996	44,370
ОАО NGK Slavneft and its subsidiaries	50%	Russia	342,466	135,477	92,075	3,622
Nord Stream AG***	51%	Russia, Germany	332,646	246,131	16,653	1,948
W & G Beteiligungs-GmbH & Co. KG and its subsidiaries	50%	Germany	248,313	207,530	271,956	10,356
ООО Yamal razvitie and its subsidiaries	50%	Russia	206,549	98,256	6,626	(632)
Shtokman Development AG****	75%	Russia	47,974	2,115	-	(207)
SGT EuRoPol GAZ S.A.	48%	Poland	46,721	11,225	5,651	(267)
Wintershall AG*****	49%	Libya	39,223	28,995	45,092	2,608
AO Latvijas Gaze	34%	Latvia	35,342	8,926	13,623	466
ZAO Nortgaz	51%	Russia	34,826	32,275	4,223	513
TOO KazRosGaz	50%	Kazakhstan	33,613	1,601	13,770	4,222
AO Lietuvos dujos	37%	Lithuania	32,913	9,547	10,233	574
AO Gasum	25%	Finland	31,722	15,400	26,177	557
ZAO Achimgaz	50%	Russia	24,287	7,843	5,245	3,456

* Presented revenue of Gazprombank Group includes revenue of media business, machinery business and other non-banking companies.

**Country of incorporation is Bermuda Islands.

*** Country of incorporation is Switzerland.

**** Country of incorporation is Switzerland. In July 2012 Statoil ASA signed an agreement to transfer its 24% interest in Shtokman Development AG to ОАО Газпром in accordance to the agreements between the shareholders of Shtokman Development AG. As a result the Group's share in Shtokman Development AG increased up to 75%. Investment in Shtokman Development AG continues to be accounted under the equity method of accounting, as the Group did not obtain control due to its corporate governance structure.

***** Country of incorporation is Germany.

	Percent of share capital held	Country of primary operations	As of 30 June 2012		For the six months ended 30 June 2012	
			Assets	Liabilities	Revenues	Income (loss)
Gazprombank Group*	38%	Russia	2,664,375	2,347,568	68,840	11,594
Sakhalin Energy Investment Company Ltd.**	50%	Russia	645,443	422,052	150,068	74,292
ОАО NGK Slavneft and its subsidiaries	50%	Russia	586,117	305,537	93,345	5,137
Nord Stream AG***	51%	Russia, Germany	313,164	237,370	11,375	2,437
W & G Beteiligungs-GmbH & Co. KG and its subsidiaries	50%	Germany	226,202	187,013	233,947	13,727
ООО Yamal razvitie and its subsidiaries	50%	Russia	180,878	70,195	1,199	(485)
Shtokman Development AG****	51%	Russia	50,828	4,388	-	(393)
SGT EuRoPol GAZ S.A.	48%	Poland	48,681	13,290	6,296	795
Wintershall AG*****	49%	Libya	45,973	30,345	52,545	2,989
TOO KazRosGaz	50%	Kazakhstan	38,083	1,869	23,130	8,723
AO Latvijas Gaze	34%	Latvia	33,929	8,125	13,559	361
AO Gasum	25%	Finland	31,386	15,497	26,987	811
AO Lietuvos dujos	37%	Lithuania	30,046	5,750	11,439	553
ZAO Nortgaz	51%	Russia	24,394	13,233	2,607	399
ZAO Achimgaz	50%	Russia	15,784	5,093	2,763	1,617
ОАО Gazprom neftekhim Salavat*****	—	Russia	—	—	47,478	(606)

* Presented revenue of Gazprombank Group includes revenue of media business, machinery business and other non-banking companies.

**Country of incorporation is Bermuda Islands.

*** Country of incorporation is Switzerland.

**** Country of incorporation is Germany.

***** The revenue and loss of ОАО Газпром нефтехим Салават for the six months ended 30 June 2012 are disclosed until the date of acquisition of controlling share (see Note 22).

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10 INVESTMENTS IN ASSOCIATED UNDERTAKINGS AND JOINT VENTURES (continued)

The estimated fair values of investments in associated undertakings and joint ventures for which there are published price quotations were as follows:

	30 June 2013	31 December 2012
AO Latvijas Gaze	5,481	4,806
AO Lietuvos dujos	4,451	3,924

11 LONG-TERM ACCOUNTS RECEIVABLE AND PREPAYMENTS

	30 June 2013	31 December 2012 (restated)
Long-term accounts receivable and prepayments	162,892	175,878
Advances for assets under construction	<u>293,618</u>	<u>303,260</u>
	456,510	479,138

Long-term accounts receivable and prepayments are presented net of impairment provision of RR 14,646 and RR 13,156 as of 30 June 2013 and 31 December 2012, respectively.

12 OTHER NON-CURRENT ASSETS

Included within other non-current assets is VAT recoverable related to assets under construction totalling RR 111,244 and RR 89,128 as of 30 June 2013 and 31 December 2012, respectively.

Other non-current assets include net pension assets in the amount of RR 131,482 and RR 84,379 as of 30 June 2013 and 31 December 2012, respectively (see Notes 4 and 20).

Other non-current assets include goodwill on subsidiaries in the amount of RR 148,121 and RR 146,587 as of 30 June 2013 and 31 December 2012, respectively.

13 LONG-TERM BORROWINGS

	Currency	Final Maturity	30 June 2013	31 December 2012 (restated)
Long-term borrowings and promissory notes payable to:				
Loan participation notes issued in April 2009 ¹	US dollar	2019	74,881	69,533
Loan participation notes issued in July 2012 ¹	Euro	2017	60,470	57,250
Loan participation notes issued in June 2007 ¹	US dollar	2013	54,161	48,795
Loan participation notes issued in October 2007 ¹	Euro	2018	52,542	51,088
Loan participation notes issued in September 2012 ⁶	US dollar	2022	49,665	46,118
Loan participation notes issued in November 2006 ¹	US dollar	2016	44,454	41,279
Loan participation notes issued in March 2007 ¹	US dollar	2022	43,398	40,298
Loan participation notes issued in March 2013 ¹	Euro	2020	43,123	-
Loan participation notes issued in May 2005 ¹	Euro	2015	42,927	41,607
White Nights Finance B.V.	US dollar	2014	42,655	39,609
Loan participation notes issued in July 2009 ¹	US dollar	2014	42,271	39,251
Loan participation notes issued in August 2007 ¹	US dollar	2037	42,004	39,003
Loan participation notes issued in April 2004 ¹	US dollar	2034	39,843	36,997
Loan participation notes issued in July 2009 ¹	Euro	2015	37,498	36,715
Loan participation notes issued in April 2008 ¹	US dollar	2018	36,631	34,015
Loan participation notes issued in October 2006 ¹	Euro	2014	33,899	32,719
Loan participation notes issued in July 2012 ¹	US dollar	2022	33,438	31,049
Loan participation notes issued in November 2011 ¹	US dollar	2016	32,880	30,531
Loan participation notes issued in November 2010 ¹	US dollar	2015	32,857	30,510
Loan participation notes issued in April 2013 ⁶	Euro	2018	32,206	-
Natixis SA ²	US dollar	2015	31,469	36,232

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13 LONG-TERM BORROWINGS (continued)

	Currency	Final Maturity	30 June 2013	31 December 2012 (restated)
Loan participation notes issued in June 2007 ¹	Euro	2014	30,970	28,417
Loan participation notes issued in February 2013 ¹	US dollar	2028	30,025	-
ZAO Mizuho Corporate Bank (Moscow)	US dollar	2016	28,592	26,563
Loan participation notes issued in February 2013 ¹	US dollar	2020	26,573	-
Loan participation notes issued in March 2007 ¹	Euro	2017	22,126	20,294
Loan participation notes issued in November 2006 ¹	Euro	2017	21,663	20,921
Loan participation notes issued in March 2013 ¹	Euro	2025	21,619	-
Bank of Tokyo-Mitsubishi UFJ Ltd. ²	US dollar	2016	21,604	22,887
Loan participation notes issued in November 2011 ¹	US dollar	2021	20,142	18,704
Loan participation notes issued in July 2008 ¹	US dollar	2013	16,819	15,617
GK Vnesheconombank	Rouble	2025	16,809	14,808
The Royal Bank of Scotland AG ²	US dollar	2015	16,654	15,483
BNP Paribas SA ²	Euro	2022	16,594	16,451
Russian bonds issued in February 2013 ⁸	Rouble	2016	15,398	-
Deutsche Bank AG	US dollar	2016	13,319	12,387
UniCredit Bank AG ^{2,9}	US dollar	2018	11,212	13,683
UniCredit Bank AG ^{2,9}	Euro	2018	10,558	13,067
Sumitomo Mitsui Finance Dublin Limited	US dollar	2016	10,498	9,749
HSBC Bank plc	Euro	2022	10,471	-
OA O Gazprombank	US dollar	2015	10,395	-
Russian bonds issued in February 2011 ⁶	Rouble	2021	10,354	10,356
Russian bonds issued in February 2011 ⁶	Rouble	2016	10,338	10,340
Russian bonds issued in February 2011 ⁶	Rouble	2021	10,338	10,340
Russian bonds issued in February 2012 ⁶	Rouble	2022	10,328	10,330
Credit Agricole CIB	Euro	2015	10,270	9,673
Russian bonds issued in February 2013 ⁸	Rouble	2017	10,267	-
Russian bonds issued in April 2009 ⁶	Rouble	2019	10,169	10,171
Russian bonds issued in December 2012 ⁶	Rouble	2022	10,061	10,063
OA O Gazprombank	Rouble	2018	10,000	10,000
OA O Gazprombank	Rouble	2017	10,000	10,000
Deutsche Bank AG	US dollar	2014	9,893	9,186
Bank of Tokyo-Mitsubishi UFJ Ltd.	US dollar	2015	9,871	9,171
Bank of Tokyo-Mitsubishi UFJ Ltd.	US dollar	2016	9,823	9,122
Citibank International plc ²	US dollar	2021	9,617	8,563
Eurofert Trading Limited llc ⁴	Rouble	2015	8,600	8,600
OA O VTB Bank	US dollar	2015	8,182	-
Bank of America Securities Limited	Euro	2017	7,734	7,285
Deutsche Bank AG	US dollar	2014	6,560	6,093
BNP Paribas SA ²	Euro	2023	6,552	6,497
Banc of America Securities Limited	US dollar	2016	5,892	5,471
OA O VTB Bank	US dollar	2014	5,416	-
Russian bonds issued in February 2007	Rouble	2014	5,136	5,137
Russian bonds issued in February 2013 ⁸	Rouble	2018	5,133	-
Russian bonds issued in December 2009 ⁵	Rouble	2014	5,036	5,037
Russian bonds issued in June 2009	Rouble	2014	5,009	5,011
Eurofert Trading Limited llc ⁴	Rouble	2015	5,000	5,000
OA O Bank ROSSIYA	US dollar	2015	4,154	-
OA O VTB Bank	Rouble	2014	4,011	4,010
Deutsche Bank AG	US dollar	2014	3,515	4,353
UniCredit Bank AG ^{2,9}	Rouble	2018	3,145	4,134
Russian bonds issued in July 2009 ⁷	Rouble	2014	2,990	2,894
The Royal Bank of Scotland AG	US dollar	2013	-	54,858

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13 LONG-TERM BORROWINGS (continued)

	Currency	Final Maturity	30 June 2013	31 December 2012 (restated)
Russian bonds issued in April 2010 ⁶	Rouble	2013	-	20,326
Structured export notes issued in July 2004 ³	US dollar	2013	-	12,509
Loan participation notes issued in April 2008 ¹	US dollar	2013	-	12,347
Credit Agricole CIB ²	US dollar	2013	-	7,607
Other long-term borrowings and promissory notes	Various	Various	<u>72,046</u>	<u>98,713</u>
Total long-term borrowings and promissory notes			<u>1,580,753</u>	<u>1,434,827</u>
Less: current portion of long-term borrowings			<u>(271,555)</u>	<u>(256,868)</u>
			<u>1,309,198</u>	<u>1,177,959</u>

¹ Issuer of these bonds is Gaz Capital S.A.

² Loans received from syndicate of banks, named lender is the bank-agent.

³ Issuer of these notes is Gazprom International S.A.

⁴ Issuer of these notes is OAO WGC-2.

⁵ Issuer of these bonds is OAO Mosenergo.

⁶ Issuer of these bonds is Gazprom нефть.

⁷ Issuer of these bonds is OAO TGC-1.

⁸ Issuer of these bonds is OOO Gazprom capital.

⁹ Loans were obtained for development of Yuzhno-Russkoye oil and gas field.

	30 June 2013	31 December 2012 (restated)
Due for repayment:		
Between one and two years	265,518	278,726
Between two and five years	608,599	502,440
After five years	<u>435,081</u>	<u>396,793</u>
	<u>1,309,198</u>	<u>1,177,959</u>

Long-term borrowings include fixed rate loans with a carrying value of RR 1,315,354 and RR 1,164,841 and fair value of RR 1,361,549 and RR 1,275,306 as of 30 June 2013 and as of 31 December 2012 respectively. All other long-term borrowings have variable interest rates generally linked to LIBOR, and the difference between carrying value of these liabilities and their fair value is not significant.

As of 30 June 2013 and 31 December 2012 long-term borrowings of RR nil and RR 12,509, respectively, inclusive of current portion of long-term borrowings, are secured by revenues from export supplies of gas to Western Europe.

As of 30 June 2013 and 31 December 2012 according to the project facility agreement, signed within the framework of the development project of Yuzhno-Russkoye oil and gas field with the group of international financial institutions with UniCredit Bank AG acting as a facility agent, ordinary shares of OAO Severneftegazprom with the pledge value of RR 16,968 and fixed assets with the pledge value of RR 25,166 were pledged to ING Bank N.V. (London branch) up to the date of full redemption of the liabilities on this agreement. Management of the Group does not expect any substantial consequences to occur which relate to respective pledge agreement.

Under the terms of the loan participation notes issued by Gaz Capital S.A. in April 2004 due in 2034 noteholders can execute the right of early redemption in April 2014 at par value in total amount of RR 39,251 as of 30 June 2013 and interest accrued. As of 30 June 2013 these loan participation notes were classified as current portion of long-term borrowings.

Under the terms of the Russian bonds with the nominal value of RR 10,000 issued by OAO Gazprom нефть in December 2012 due in 2022 bondholders can execute the right of early redemption in December 2017 at par.

Under the terms of the Russian bonds with the nominal value of RR 10,000 issued by OAO Gazprom нефть in February 2012 due in 2022 bondholders can execute the right of early redemption in February 2015 at par.

Under the terms of the Russian bonds with the nominal value of RR 10,000 issued by OAO Gazprom нефть in February 2011 due in 2021 bondholders can execute the right of early redemption in February 2016 at par.

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13 LONG-TERM BORROWINGS (continued)

Under the terms of the Russian bonds with the nominal value of RR 10,000 issued by ОАО Gazprom neft in February 2011 due in 2021 bondholders can execute the right of early redemption in February 2018 at par.

Under the terms of the Russian bonds with the nominal value of RR 10,000 issued by ОАО Gazprom neft in April 2009 due in 2019 bondholders can execute the right of early redemption in April 2018 at par.

Under the terms of the Russian bonds with the nominal value of RR 2,894 issued by ОАО TGC-1 in July 2009 due in 2014 bondholders can execute the right of early redemption in July 2013 at par. As of 30 June 2013 these Russian bonds were classified as current portion of long-term borrowings.

The Group has no subordinated debt and no debt that may be converted into an equity interest in the Group.

14 PROFIT TAX

Profit tax is recognised based on the estimated average annual effective profit tax rate applied to the profit before tax for the six months ended 30 June 2013. Differences between the recognition criteria in Russian statutory taxation regulations and IFRS give rise to certain temporary differences between the carrying value of certain assets and liabilities for financial reporting purposes and for profit tax purposes. The tax effect of the movement on these temporary differences is recorded at the applicable statutory rates, including the prevailing rate of 20% in the Russian Federation.

	30 June 2013	Differences recognition and reversals	31 December 2012 (restated)	30 June 2012 (restated)	Differences recognition and reversals	31 December 2011 (restated)
Tax effects of taxable temporary differences:						
Property, plant and equipment	(561,286)	(95,788)	(465,498)	(431,931)	(26,705)	(405,226)
Financial assets	(8,383)	1,610	(9,993)	(10,820)	3,854	(14,674)
Inventories	(2,444)	(2,587)	143	(5,218)	(450)	(4,768)
	(572,113)	(96,765)	(475,348)	(447,969)	(23,301)	(424,668)
Tax effects of deductible temporary differences:						
Tax losses carry forward	209	1	208	192	(704)	896
Retroactive gas price adjustments	14,973	(8,078)	23,051	35,099	35,099	-
Other deductible temporary differences	8,974	689	8,285	5,248	(629)	5,877
	24,156	(7,388)	31,544	40,539	33,766	6,773
Total net deferred tax liabilities	(547,957)	(104,153)	(443,804)	(407,430)	10,465	(417,895)

Taxable temporary differences recognized for the six months ended 30 June 2013 include the effect of depreciation premium on certain property, plant and equipment. As a result a deferred tax liability related to property, plant and equipment was recognized in the amount of RR 81,693 with the corresponding offsetting credit to the current profit tax expense and therefore no net impact to the consolidated net profit for the six months ended 30 June 2013.

Taxable temporary differences recognized for the six months ended 30 June 2012 include the effect of accelerated depreciation on certain property, plant and equipment. As a result a deferred tax liability related to property, plant and equipment was recognized in the amount of RR 8,097 with the corresponding offsetting credit to the current profit tax expense and therefore no net impact to the consolidated net profit for the six months ended 30 June 2012.

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15 EQUITY

Share capital

Share capital authorised, issued and paid totals RR 325,194 as of 30 June 2013 and 31 December 2012 and consists of 23.7 billion ordinary shares, each with a historical par value of 5 Russian Roubles.

Treasury shares

As of 30 June 2013 and 31 December 2012, subsidiaries of OAO Gazprom held 725 million and 724 million, of the ordinary shares of OAO Gazprom, respectively, which are accounted for as treasury shares. The management of the Group controls the voting rights of these shares.

16 SALES

	Three months ended		Six months ended	
	30 June		30 June	
	2013	2012	2013	2012
		(restated)		(restated)
Gas sales gross of customs duties to customers in:				
Russian Federation	130,715	120,231	411,013	389,301
Former Soviet Union (excluding Russian Federation)	69,804	131,918	216,409	304,283
Europe and other countries	<u>484,321</u>	<u>415,685</u>	<u>1,022,453</u>	<u>907,987</u>
	684,840	667,834	1,649,875	1,601,571
Customs duties	(100,242)	(90,517)	(234,888)	(224,259)
Retroactive gas price adjustments*	<u>-</u>	<u>(54,681)</u>	<u>73,430</u>	<u>(133,186)</u>
Sales of gas	584,598	522,636	1,488,417	1,244,126
Sales of refined products to customers in:				
Russian Federation	187,991	180,872	368,514	340,009
Former Soviet Union (excluding Russian Federation)	19,924	19,720	37,977	33,449
Europe and other countries	<u>112,550</u>	<u>87,716</u>	<u>233,152</u>	<u>170,821</u>
Total sales of refined products	320,465	288,308	639,643	544,279
Sales of crude oil and gas condensate to customers in:				
Russian Federation	6,950	12,228	14,712	26,045
Former Soviet Union (excluding Russian Federation)	10,352	6,464	23,560	16,331
Europe and other countries	<u>30,207</u>	<u>45,427</u>	<u>61,517</u>	<u>87,394</u>
Total sales of crude oil and gas condensate	47,509	64,119	99,789	129,770
Electric and heat energy sales	72,715	65,535	179,566	177,136
Gas transportation sales	39,263	28,220	80,495	60,279
Other revenues	<u>42,131</u>	<u>37,036</u>	<u>80,212</u>	<u>75,542</u>
Total sales	1,106,681	1,005,854	2,568,122	2,231,132

* Retroactive gas price adjustments relate to gas deliveries in 2010, 2011 and 2012 for which a discount has been agreed or is in the process of negotiations and where it is probable that a discount will be provided. The effects of gas price adjustments, including corresponding impacts on profit tax, are recorded when they become probable and a reliable estimate of the amounts can be made. The effect of retroactive gas price adjustments on sales for the three and six months ended 30 June 2013 was a credit of RR nil and 73,430, respectively, reflecting a decrease in a related accrual following estimates made and agreements reached prior to the issuance of the interim financial information.

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17 OPERATING EXPENSES

Note	Three months ended 30 June		Six months ended 30 June	
	2013	2012 (restated)	2013	2012 (restated)
	182,586	190,916	369,866	368,149
23 Purchased oil and gas	160,376	150,502	343,192	320,478
Taxes other than on income	115,384	91,655	235,238	185,365
Staff costs	100,937	81,755	210,810	164,362
Depreciation	84,849	77,217	171,302	159,325
Transit of gas, oil and refined products	55,797	34,775	107,881	58,682
Materials	46,204	43,129	77,649	71,264
Repairs and maintenance	34,315	25,886	65,065	60,538
Cost of goods for resale, including refined products	15,557	17,386	39,286	36,490
Electricity and heating expenses	16,867	16,722	30,181	25,845
Charge for impairment provisions	9,331	4,718	18,221	8,785
Social expenses	7,950	11,584	15,409	17,035
Transportation services	6,421	5,791	12,295	11,353
Rental expenses	5,576	6,169	10,961	10,980
Insurance expenses	4,599	3,326	8,106	6,817
Processing services	2,777	6,440	7,491	11,690
Research and development expenses	982	3,353	4,817	15,162
Heat transmission	(6,472)	(5,318)	(28)	14,891
(Gains) losses from derivatives financial instruments	(37,720)	(46,219)	(43,038)	(12,512)
Foreign exchange rate differences on operating items	55,821	44,980	99,516	92,296
Other	<u>862,137</u>	<u>764,767</u>	<u>1,784,220</u>	<u>1,626,995</u>
Changes in inventories of finished goods, work in progress and other effects	<u>(93,305)</u>	<u>(75,735)</u>	<u>(65,336)</u>	<u>(20,388)</u>
Total operating expenses	768,832	689,032	1,718,884	1,606,607

Staff costs include RR 8,089 and RR 16,128 of expenses associated with pension obligations for the three and six months ended 30 June 2013, respectively, and RR 3,666 and RR 8,332 for the three and six months ended 30 June 2012, respectively (see Note 20).

18 FINANCE INCOME AND EXPENSES

	Three months ended 30 June		Six months ended 30 June	
	2013	2012 (restated)	2013	2012 (restated)
Foreign exchange gains	327	6,247	21,968	140,173
Interest income	<u>10,808</u>	<u>7,994</u>	<u>16,533</u>	<u>13,542</u>
Total finance income	11,135	14,241	38,501	153,715
Foreign exchange losses	97,093	149,677	141,374	164,224
Interest expense	<u>14,094</u>	<u>2,252</u>	<u>21,105</u>	<u>17,784</u>
Total finance expenses	111,187	151,929	162,479	182,008

Total interest paid amounted to RR 21,204 and RR 48,393 for the three and six months ended 30 June 2013, respectively, and RR 20,538 and RR 43,633 for the three and six months ended 30 June 2012, respectively.

19 BASIC AND DILUTED EARNINGS PER SHARE, ATTRIBUTABLE TO OWNERS OF OAO GAZPROM

Earnings per share have been calculated by dividing the profit, attributable to owners of OAO Gazprom by the weighted average number of shares outstanding during the period, excluding the weighted average number of ordinary shares purchased by the Group and held as treasury shares (see Note 15).

There were 22.9 and 22.9 billion weighted average shares outstanding for the three and six months ended 30 June 2013 and 23.0 and 22.9 billion weighted average shares outstanding for the three and six months ended 30 June 2012.

There are no dilutive financial instruments outstanding.

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20 PROVISIONS FOR LIABILITIES AND CHARGES

	30 June 2013	31 December 2012 (restated)
Provision for pension obligations	177,627	198,256
Provision for decommissioning and site restoration costs	132,660	127,763
Other	<u>10,223</u>	<u>10,524</u>
	320,510	336,543

The Group operates a defined benefit plan, concerning the majority of the employees of the Group. These benefits include pension benefits provided by the non-governmental pension fund, NPF Gazfund, and certain post-retirement benefits from the Group provided upon retirement.

The net pension assets related to benefits, provided by the pension plan NPF Gazfund in the amount of RR 131,482 and RR 84,379 as of 30 June 2013 and 31 December 2012, respectively, are presented within other non-current assets in the consolidated balance sheet. In accordance with IAS 19 (revised), pension assets are recorded at estimated fair value subject to certain limitations. As of 30 June 2013 and 31 December 2012 management estimated the fair value of these assets at approximately RR 420 billion and RR 408 billion, respectively. The pension assets comprise shares of OAO Gazprom, shares of OAO Gazprombank and other assets held by NPF Gazfund.

	30 June 2013		31 December 2012 (restated)	
	Funded benefits - provided through NPF Gazfund	Unfunded liabilities - other benefits	Funded benefits - provided through NPF Gazfund	Unfunded liabilities - other benefits
Present value of benefit obligations	(288,811)	(177,627)	(323,133)	(198,256)
Fair value of plan assets	<u>420,293</u>	<u>-</u>	<u>407,512</u>	<u>-</u>
Net balance asset (liability)	131,482	(177,627)	84,379	(198,256)

The amounts associated with pension obligations recognized in operating expenses are as follows:

	Three months ended 30 June 2013		Six months ended 30 June 2013	
		2012 (restated)		2012 (restated)
Current service cost	6,005	2,950	12,010	6,862
Net interest	<u>2,084</u>	<u>716</u>	<u>4,118</u>	<u>1,470</u>
Total expenses included in staff costs	8,089	3,666	16,128	8,332

The principal assumptions used for pension obligations for the six months ended 30 June 2013 were the same as those applied for the year ended 31 December 2012 with exception of the discount rate based on interest rates of government securities. The increase in the discount rate from 7% to 8% resulted in recognition of an actuarial gain of RR 78,473 in other comprehensive income for the three and six months ended 30 June 2013.

Remeasurements to be recognized in other comprehensive income are as follows:

	Three months ended 30 June 2013		Six months ended 30 June 2013	
		2012 (restated)		2012 (restated)
Actuarial gains	78,473	-	78,473	-
Return on plan assets net of the net interest	(3,603)	34,109	(2,850)	37,929
Change in the effect of the asset ceiling	<u>-</u>	<u>(36,796)</u>	<u>-</u>	<u>(41,697)</u>
Total	74,870	(2,687)	75,623	(3,768)

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows: quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1), inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2), inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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21 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

As of 30 June 2013 and 31 December 2012 the Group had the following assets and liabilities that are measured at fair value:

	30 June 2013			Total
	Quoted price in an active market (Level 1)	Valuation technique with inputs observable in markets (Level 2)	Valuation technique with significant non- observable inputs (Level 3)	
Financial assets held for trading:				
Equity securities	2,933	10,849	-	13,782
Bonds	2,450	-	-	2,450
Available-for-sale financial assets:				
Bonds	-	-	-	-
Promissory notes	-	922	-	922
Total short-term financial assets	5,383	11,771	-	17,154
Available-for-sale financial assets:				
Equity securities	132,121	22,778	1,741	156,640
Bonds	-	-	-	-
Promissory notes	-	1,372	-	1,372
Total available-for-sale long-term financial assets	132,121	24,150	1,741	158,012
Derivatives	439	18,315	651	19,405
Total assets	137,943	54,236	2,392	194,571
Derivatives	555	27,994	239	28,788
Total liabilities	555	27,994	239	28,788

	31 December 2012			Total
	Quoted price in an active market (Level 1)	Valuation technique with inputs observable in markets (Level 2)	Valuation technique with significant non- observable inputs (Level 3)	
Financial assets held for trading:				
Equity securities	2,566	10,849	-	13,415
Bonds	1,606	-	-	1,606
Available-for-sale financial assets:				
Bonds	910	-	-	910
Promissory notes	-	1,031	-	1,031
Total short-term financial assets	5,082	11,880	-	16,962
Available-for-sale financial assets:				
Equity securities	135,160	23,612	1,278	160,050
Bonds	54	-	-	54
Promissory notes	-	1,600	-	1,600
Total available-for-sale long-term financial assets	135,214	25,212	1,278	161,704
Derivatives	909	25,217	814	26,940
Total assets	141,205	62,309	2,092	205,606
Derivatives	1,011	30,110	847	31,968
Total liabilities	1,011	30,110	847	31,968

There were no transfers between Levels 1, 2 and 3 during the period. There were no reclasses of available-for-sale investments losses from other comprehensive income into the profit or loss.

Financial assets held for trading primarily comprise marketable equity and debt securities intended to generate short-term profits through trading.

Available-for-sale long-term financial assets, in total amount of RR 158,012 and RR 161,704 are shown net of provision for impairment of RR 1,719 and RR 2,059 as of 30 June 2013 and 31 December 2012, respectively.

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21 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

As of 30 June 2013 and 31 December 2012 long-term available-for-sale financial assets include OAo NOVATEK shares in the amount of RR 118,562 and RR 110,370, respectively.

22 ACQUISITION OF THE CONTROLLING INTEREST IN OAo GAZPROM NEFTEKHIM SALAVAT

In December 2008 the Group acquired a 50% interest plus one ordinary share in OAo Gazprom neftekhim Salavat for cash consideration of RR 20,959. Since then the Group started to exercise significant influence and applied the equity method of accounting for its investment in OAo Gazprom neftekhim Salavat.

During the period from November 2011 to December 2011 as a result of series of transactions, the Group acquired an additional 19.03% interest in OAo Gazprom neftekhim Salavat for total cash consideration of RR 19,008. Despite having a 69.03% interest as of 31 December 2011, the Group still did not exercise control over OAo Gazprom neftekhim Salavat due to its corporate governance regulations.

In May 2012 the Group acquired additional 18.48% interest in OAo Gazprom neftekhim Salavat for cash consideration of RR 18,458 increasing its interest to 87.51% and, as a result, obtained control over OAo Gazprom neftekhim Salavat.

In accordance with IFRS 3 “Business Combinations”, the Group recognized the acquired assets and liabilities based upon their fair values. As of 30 June 2013 the Group finalized their assessment of the estimated fair values of assets and liabilities acquired in accordance with IFRS 3 “Business combinations”.

Purchase consideration includes cash for the 18.48% interest in OAo Gazprom neftekhim Salavat acquired in May 2012 in the amount of RR 18.4 billion and fair value of previously acquired 69.03% interest accounted for using the equity method in the amount of RR 43.7 billion.

As a result of the Group obtaining control over OAo Gazprom neftekhim Salavat, the Group’s previously held 69.03% interest was remeasured to fair value, resulting in a gain of RR 4.7 billion recognized in 2012. This has been recognised in the line item ‘Share of net income of associated undertakings and joint ventures’ in the consolidated statement of comprehensive income.

Details of the assets acquired and liabilities assumed are as follows:

	Book value	Fair value
Cash and cash equivalents	7,196	7,196
Accounts receivable and prepayments	15,600	15,600
VAT recoverable	2,489	2,489
Inventories	10,760	10,760
Other current assets	<u>5,868</u>	<u>5,868</u>
Current assets	41,913	41,913
Property, plant and equipment	48,160	48,160
Long-term accounts receivable and prepayments	14,969	14,969
Other non-current assets	<u>877</u>	<u>877</u>
Non-current assets	64,006	64,006
Total assets	105,919	105,919
Accounts payable and accrued charges	35,630	35,630
Short-term borrowings, promissory notes and current portion of long-term borrowings	<u>24,612</u>	<u>24,612</u>
Current liabilities	60,242	60,242
Long-term borrowings	20,696	20,696
Deferred tax liabilities	2,636	2,636
Provisions for liabilities and charges	961	961
Other non-current liabilities	<u>85</u>	<u>85</u>
Non-current liabilities	24,378	24,378
Total liabilities	84,620	84,620
Net assets at acquisition date	21,299	21,299
Non-controlling interest at acquisition date		2,660
Purchase consideration		62,108
Goodwill		43,469

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22 ACQUISITION OF THE CONTROLLING INTEREST IN OAo GAZPROM NEFTEKHIM SALAVAT (continued)

During the period from September 2012 to June 2013 as a result of series of transactions, the Group acquired an additional 12.49% interest in the ordinary shares of OAo Gazprom neftekhim Salavat for cash consideration of RR 12,476 increasing its interest to 100%. The difference between consideration paid and the non-controlling interest acquired has been recognized in equity in the amount of RR 9,842 and is included within retained earnings and other reserves.

23 RELATED PARTIES

For the purpose of this consolidated interim condensed financial information, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions as defined by IAS 24 “Related Party Disclosures”. Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding as of 30 June 2013 is detailed below.

Government

The Government of the Russian Federation is the ultimate controlling party of OAo Gazprom and has a controlling interest (including both direct and indirect ownership) of over 50% in OAo Gazprom.

The Government does not prepare consolidated financial statements for public use. Governmental economic and social policies affect the Group’s financial position, results of operations and cash flows.

As a condition of privatisation in 1992, the Government imposed an obligation on the Group to provide an uninterrupted supply of gas to customers in the Russian Federation at government controlled prices.

Parties under control of the Government

In the normal course of business the Group enters into transactions with other entities under Government control. Prices of natural gas sales, gas transportation and electricity tariffs in Russia are regulated by the Federal Tariffs Service (“FTS”). Bank loans with related parties are provided on the basis of market rates. Taxes are accrued and settled in accordance with the applicable statutory rules.

As of 30 June 2013 and 31 December 2012 and for the three and six months ended 30 June 2013 and 2012, the Group had the following significant transactions and balances with the Government and parties under control of the Government:

	As of 30 June 2013		Three months ended 30 June 2013		Six months ended 30 June 2013	
	Assets	Liabilities	Income	Expenses	Income	Expenses
Transactions and balances with the Government						
Current profit tax	45,238	3,354	-	33,347	-	40,052
Insurance contributions to non-budget funds	219	5,485	-	18,026	-	40,655
VAT recoverable/payable	549,423	49,483	-	-	-	-
Customs duties	56,198	-	-	-	-	-
Other taxes	4,683	63,222	-	143,745	-	326,561
Transactions and balances with other parties under control of the Government						
Gas sales	-	-	13,216	-	37,017	-
Electricity and heating sales	-	-	40,567	-	105,316	-
Other services sales	-	-	609	-	1,018	-
Accounts receivable	29,020	-	-	-	-	-
Oil transportation expenses	-	-	-	26,460	-	52,409
Accounts payable	-	5,507	-	-	-	-
Loans	-	55,679	-	-	-	-
Interest expense	-	-	-	1,226	-	1,958
Short-term financial assets	2,368	-	-	-	-	-
Available-for-sale long-term financial assets	13,354	-	-	-	-	-

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23 RELATED PARTIES (continued)

	As of 31 December 2012 (restated)		Three months ended 30 June 2012 (restated)		Six months ended 30 June 2012 (restated)	
	Assets	Liabilities	Income	Expenses	Income	Expenses
Transactions and balances with the Government						
Current profit tax	14,241	7,990	-	38,287	-	140,969
Insurance contributions to non-budget funds	578	4,290	-	13,951	-	33,975
VAT recoverable/payable	565,470	52,763	-	-	-	-
Customs duties	67,662	-	-	-	-	-
Other taxes	4,614	65,397	-	150,502	-	320,478
Transactions and balances with other parties under control of the Government						
Gas sales	-	-	8,003	-	25,635	-
Electricity and heating sales	-	-	39,989	-	103,388	-
Other services sales	-	-	365	-	797	-
Accounts receivable	34,362	-	-	-	-	-
Oil transportation expenses	-	-	-	24,649	-	48,790
Accounts payable	-	7,197	-	-	-	-
Loans	-	64,523	-	-	-	-
Interest expense	-	-	-	929	-	1,758
Short-term financial assets	1,738	-	-	-	-	-
Available-for-sale long-term financial assets	24,544	-	-	-	-	-

Gas sales and respective accounts receivable, oil transportation expenses and respective accounts payable included in the table above are related to major State controlled companies.

In the normal course of business the Group incurs electricity and heating expenses (see Note 17). A part of these expenses relates to purchases from the entities under Government control. Due to the specifics of the electricity market in the Russian Federation, these purchases can not be accurately separated from the purchases from private companies.

See the consolidated interim condensed statement of changes in equity for returns of social assets to government during the six months ended 30 June 2013 and 2012. See Note 9 for net book values as of 30 June 2013 and 31 December 2012 of social assets vested to the Group at privatisation.

Compensation for key management personnel

Key management personnel (the members of the Board of Directors and Management Committee of OAO Gazprom) receive short-term compensation, including salary, bonuses and remuneration for serving on the management bodies of various Group companies. Government officials, who are directors, do not receive remuneration from the Group. The remuneration for serving on the Boards of Directors of Group companies is subject to approval by the General Meeting of Shareholders of each Group company.

Compensation of key management personnel (other than remuneration for serving as directors of Group companies) is determined by the terms of the employment contracts. Key management personnel also receive certain short-term benefits related to healthcare.

According to Russian legislation, the Group makes contributions to the Russian Federation State pension fund for all of its employees including key management personnel.

Key management personnel also participate in certain post-retirement benefit programs. The programs include pension benefits provided by the non-governmental pension fund, NPF Gazfund, and a one-time retirement payment from the Group. Employees of the majority of Group companies are eligible for such benefits.

The Group provided medical insurance and liability insurance for key management personnel.

Associated undertakings and joint ventures

For the three and six months ended 30 June 2013 and 2012 and as of 30 June 2013 and 31 December 2012 the Group had the following significant transactions and balances with associated undertakings and joint ventures:

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23 RELATED PARTIES (continued)

	Three months ended 30 June 2013 2012 (restated)		Six months ended 30 June 2013 2012 (restated)	
	Revenues		Revenues	
Gas sales				
Wintershall Erdgas Handelshaus GmbH & Co. KG (WIEH)	27,160	23,274	61,223	48,280
W & G Beteiligungs-GmbH & Co. KG and its subsidiaries	22,722	17,863	47,797	35,161
ZAO Panrusgaz	18,791	13,732	32,920	22,678
AO Gasum	5,818	6,306	15,626	16,210
AO Moldovagaz	2,381	4,546	9,413	13,565
Bosphorus Gaz Corporation A.S.	3,155	847	8,784	1,978
Wintershall Erdgas Handelshaus Zug AG (WIEE)*	2,910	9,651	7,649	18,342
AO Lietuvos dujos	1,798	1,763	6,179	6,470
ZAO Gazprom YRGM Trading	2,742	2,666	5,947	5,761
AO Latvijas Gaze	2,660	1,941	4,989	6,412
ZAO Gazprom YRGM Development	1,959	1,904	4,248	4,115
Russian-Serbian Trading Corporation a.d.	1,955	1,915	3,839	3,774
SGT EuRoPol GAZ S.A.	1,119	812	2,024	1,338
AO Overgaz Inc.	567	8,467	1,818	17,345
PremiumGas S.p.A.	-	4,141	-	7,386
Gas transportation sales				
ZAO Gazprom YRGM Trading	4,743	4,593	10,287	9,927
ZAO Gazprom YRGM Development	3,388	3,281	7,348	7,091
Gas condensate, crude oil and refined products sales				
OAO NGK Slavneft and its subsidiaries	5,781	7,696	12,903	16,288
OOO Gazpromneft – Aero Sheremetyevo	3,127	2,583	5 441	4,520
ZAO SOVEKS	1,514	2,075	2,458	2,075
OAO Gazprom neftekhim Salavat**	-	4,460	-	10,036
Gas refining services sales				
TOO KazRosGaz	1,244	1,252	2,689	2,609
	Expenses		Expenses	
Purchased gas				
W & G Beteiligungs-GmbH & Co. KG and its subsidiaries	15,370	10,782	36,420	29,363
ZAO Gazprom YRGM Trading	13,065	13,356	28,454	28,915
ZAO Gazprom YRGM Development	9,335	9,548	20,328	20,677
TOO KazRosGaz	4,301	11,380	10,402	20,078
Sakhalin Energy Investment Company Ltd.	6,089	928	7,601	2,031
OOO SeverEnergiya and its subsidiaries	2,283	806	4,256	806
Purchased transit of gas				
Nord Stream AG	8,483	5,775	16,683	11,424
W & G Beteiligungs-GmbH & Co. KG and its subsidiaries	3,274	2,711	6,369	5,371
SGT EuRoPol GAZ S.A.	2,196	2,547	4,338	5,060
Purchased crude oil and refined products				
OAO NGK Slavneft and its subsidiaries	18,922	17,117	39,429	41,224
Purchased processing services				
OAO NGK Slavneft and its subsidiaries	2,789	2,588	5,842	5,074

* Wintershall Erdgas Handelshaus Zug AG (WIEE) is the subsidiary of Wintershall Erdgas Handelshaus GmbH & Co. KG (WIEH).

** In May 2012 the Group acquired an additional 18.48% interest in OAO Gazprom neftekhim Salavat. As a result the Group's share in OAO Gazprom neftekhim Salavat increased to 87.51% and the Group obtained control over OAO Gazprom neftekhim Salavat (see Note 22).

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23 RELATED PARTIES (continued)

Gas is sold to associated undertakings in the Russian Federation mainly at the rates established by the FTS. Gas is sold outside the Russian Federation mainly under long-term contracts prices in which are indexed mainly to world oil product prices.

	As of 30 June 2013		As of 31 December 2012 (restated)	
	Assets	Liabilities	Assets	Liabilities
Short-term accounts receivable and prepayments				
Wintershall Erdgas Handelshaus GmbH & Co.KG (WIEH)	28,031	-	14,406	-
W & G Beteiligungs-GmbH & Co. KG and its subsidiaries	16,249	-	11,420	-
Gazprombank Group	11,254	-	1,083	-
AO Overgaz Inc.	7,794	-	10,000	-
ZAO Panrusgaz	6,444	-	8,134	-
AO Moldovagaz*	3,015	-	2,348	-
Wintershall Erdgas Handelshaus Zug AG (WIEE)	2,034	-	2,451	-
OA O NGK Slavneft and its subsidiaries	2,726	-	1,701	-
ZAO Gazprom YRGM Trading	2,532	-	1,829	-
AO Gasum	2,465	-	3,892	-
Bosphorus Gaz Corporation A.S.	1,931	-	725	-
ZAO Gazprom YRGM Development	1,809	-	1,307	-
AO Lietuvos dujos	1,525	-	2,212	-
Russian-Serbian Trading Corporation a.d.	1,118	-	628	-
TOO KazRosGaz	565	-	667	-
Short-term promissory notes				
Gazprombank Group	208	-	179	-
Cash balances				
Gazprombank Group	321,291	-	172,154	-
Long-term accounts receivable and prepayments				
W & G Beteiligungs-GmbH & Co. KG and its subsidiaries	16,352	-	15,487	-
Gas Project Development Central Asia AG	1,830	-	1,707	-
Bosphorus Gaz Corporation A.S.	109	-	1,501	-
Long-term promissory notes				
Gazprombank Group	637	-	599	-
Short-term accounts payable				
GT EuRoPol GAZ S.A.	-	6,838	-	6,565
ZAO Gazprom YRGM Trading	-	6,109	-	8,606
W & G Beteiligungs-GmbH & Co. KG and its subsidiaries	-	5,852	-	7,906
ZAO Gazprom YRGM Development	-	3,920	-	5,704
Sakhalin Energy Investment Company Ltd.	-	3,192	-	867
Nord Stream AG	-	2,910	-	2,892
OA O NGK Slavneft and its subsidiaries	-	2,830	-	1,502
TOO KazRosGaz	-	1,601	-	2,783
Wintershall Erdgas Handelshaus GmbH & Co. KG (WIEH)	-	1,353	-	-
AO Latvijas Gaze	-	1,155	-	38
OA O Gazprombank	-	240	-	152
Other non-current liabilities				
ZAO Gazprom YRGM Trading	-	1,593	-	1,593
ZAO Gazprom YRGM Development	-	248	-	248

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23 RELATED PARTIES (continued)

	As of 30 June 2013		As of 31 December 2012 (restated)	
	Assets	Liabilities	Assets	Liabilities
Short-term borrowings (including current portion of long-term borrowings)				
Gazprombank Group	-	16,671	-	21,666
RosUkrEnergo AG	-	3,039	-	2,248
Wintershall Erdgas Handelshaus GmbH & Co. KG (WIEH)	-	-	-	1,281
Long-term borrowings				
Gazprombank Group	-	35,222	-	24,569

* Net of impairment provision on accounts receivable in the amount of RR 128,246 and RR 115,573 as of 30 June 2013 and 31 December 2012.

Investments in associated undertakings and joint ventures are disclosed in Note 10.

See Note 24 for financial guarantees issued by the Group to the associated undertakings and joint ventures.

24 COMMITMENTS AND CONTINGENCIES

Taxation

The tax, currency and customs legislation within the Russian Federation is subject to varying interpretations and frequent changes. Tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments. Management believes that its interpretation of the relevant legislation as of 30 June 2013 is appropriate and all of the Group's material tax, currency and customs positions will be sustainable.

Financial guarantees

Note		30 June 2013	31 December 2012
	Outstanding guarantees issued on behalf of:		
	Sakhalin Energy Investment Company Ltd.	95,779	94,145
	Nord Stream AG	44,889	40,519
	OOO Production Company VIS	10,417	2,507
	Blackrock Capital Investments Limited	4,864	4,573
	EM Interfinance Limited	4,728	5,385
	OOO Novo-Salavatskaya PGU	3,000	-
4	Blue Stream Pipeline Company B.V.	1,114	2,078
	Other	<u>37,495</u>	<u>37,711</u>
		202,286	186,918

Included in financial guarantees are amounts denominated in USD of USD 3,520 million and USD 3,832 million as of 30 June 2013 and 31 December 2012, respectively, as well as amounts denominated in Euro of Euro 1,401 million and Euro 1,340 million as of 30 June 2013 and 31 December 2012, respectively.

In June 2008 the Group provided a guarantee to the Bank of Tokyo-Mitsubishi UFJ Ltd. on behalf of Sakhalin Energy Investment Company Ltd. under the credit facility up to the amount of the Group's share (50%) in the obligations of Sakhalin Energy Investment Company Ltd. toward the Bank of Tokyo-Mitsubishi UFJ Ltd. As of 30 June 2013 and 31 December 2012 the above guarantee amounted to RR 95,779 (USD 2,928 million) and RR 94,145 (USD 3,100 million), respectively.

In May 2011 the Group provided a guarantee to Societe Generale on behalf of Nord Stream AG under the credit facility for financing of Nord Stream gas pipeline Phase 2 construction completion. According to guarantee agreements the Group has to redeem debt up to the amount of the Group's share (51%) in the obligations of Nord Stream toward the Societe Generale in the event that Nord Stream fail to repay those amounts. As of 30 June 2013 and 31 December 2012 the above guarantee amounted to RR 44,889 (Euro 1,051 million) and RR 40,519 (Euro 1,007 million), respectively.

In July 2012 the Group provided a guarantee to OAO Sberbank Rossii on behalf of OOO Production company VIS as a security of credit facility for financing of construction projects for Gazprom Group. As of 30 June 2013 and 31 December 2012 the above guarantee amounted to RR 10,417 and RR 2,507, respectively.

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24 COMMITMENTS AND CONTINGENCIES (continued)

In 2006 the Group guaranteed Asset Repackaging Trust Five B.V. (registered in Netherlands) bonds issued by five financing entities: Devere Capital International Limited, Blackrock Capital Investments Limited, DSL Assets International Limited, United Energy Investments Limited, EM Interfinance Limited (registered in Ireland) in regard to bonds issued with due dates December 2012, June 2018, December 2009, December 2009 and December 2015, respectively. Bonds were issued for financing of construction of a transit pipeline in Poland by SGT EuRoPol GAZ S.A. In December 2009 loans issued by DSL Assets International Limited and United Energy Investments Limited were redeemed. In December 2012 loans issued by Devere Capital International Limited were redeemed. As a result as of 30 June 2013 and 31 December 2012 the guarantees issued on behalf of Blackrock Capital Investments Limited and EM Interfinance Limited amounted to RR 9,592 (USD 293 million) and 9,958 (USD 328 million), respectively.

In January 2013 the Group provided a guarantee to Akbulak Development Limited on behalf of OOO Novo-Salavatskaya PGU as a security of received loans. As of 30 June 2013 the above guarantee amounted to RR 3,000.

In July 2005 Blue Stream Pipeline Company B.V. (BSPC) refinanced some of the existing liabilities, guaranteed by the Group, by means of repayment of the liabilities to a group of Italian and Japanese banks. For the purpose of this transaction loans in the amount of USD 1,185.3 million were received from Gazstream S.A. The Group guaranteed the above loans. As of 30 June 2013 and 31 December 2012, outstanding amounts of these loans were RR 1,114 (USD 34 million) and RR 2,078 (USD 68 million), respectively, which were guaranteed by the Group, pursuant to its obligations. Starting from 1 January 2013 BSPC is proportionally consolidated in the Group's consolidated interim condensed financial information (see Note 4) and thus, 25% of these loans are already consolidated in the Group's balance sheet.

Capital commitments

In December 2012 the Board of Directors approved a RR 705 billion investment program for 2013 for OAO Gazprom. As of date of this interim financial information issuance the company revised the investment program for OAO Gazprom for 2013 up to RR 1,026 billion. The total investment program related to gas, oil and power assets for 2013 is RR 1,346 billion.

25 POST BALANCE SHEET EVENTS

Investments

In September 2013 the Group acquired 89.98% interest in the ordinary shares of OAO United Moscow Energy Company (OAO MOEC) and heat assets from the Moscow Government for cash consideration of RR 98,620 excluding VAT.

Borrowings and loans

In July 2013 the Group issued Loan Participation Notes in the amount of EURO 900 million at an interest rate of 3.7% due in 2018 under the USD 40,000 million Programme for the Issuance of Loan Participation Notes.

In September 2013 the Group issued Loan Participation Notes in the amount of GBP 500 million at an interest rate of 5.338% due in 2020 under the USD 40,000 million Programme for the Issuance of Loan Participation Notes. Under the swap agreement the underlying long-term liability was exchanged from GBP 500 million to Euro 598 million with the respective interest rate change to 4.39%.

In September 2013 the Group obtained long-term loan from Commerzbank AG in the amount of USD 700 million at an interest rate of LIBOR+1.75% due in 2018.

In October 2013 the Group obtained long-term loan from Bank of America Securities Limited in the amount of USD 300 million at an interest rate of LIBOR +2.92% due in 2018.

In October 2013 the Group issued Loan Participation Notes in the amount of CHF 500 million at an interest rate of 2.85% due in 2019 under the USD 40,000 million Programme for the Issuance of Loan Participation Notes.

ОАО ГАЗПРОМ
INVESTOR RELATIONS

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