BASE PROSPECTUS SUPPLEMENT

Open Joint Stock Company Gazprom
U.S.$40,000,000,000
Programme for the Issuance of Loan Participation Notes

issued by, but with limited recourse to,
Gaz Capital S.A., for the sole purpose of financing a loan to

Open Joint Stock Company Gazprom

This base prospectus supplement (the "Base Prospectus Supplement") is prepared in connection with the Programme for the Issuance of Loan Participation Notes (the "Programme") by Gaz Capital S.A. (the "Issuer") and is supplemental to, and should be read in conjunction with, the base prospectus dated July 23, 2013 (the "Base Prospectus"). Capitalized terms used, but not otherwise defined in this Base Prospectus Supplement shall have the meanings ascribed thereto in the Base Prospectus.

This Base Prospectus Supplement has been approved by the Central Bank of Ireland (the "Central Bank"), as competent authority under Directive 2003/71/EC (the "Prospectus Directive"). The Central Bank only approves this Base Prospectus Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. This Base Prospectus Supplement constitutes a Base Prospectus Supplement for the purposes of the Prospectus Directive. This Base Prospectus Supplement constitutes neither an offer to sell nor a solicitation of an offer to buy any Notes by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

This Base Prospectus Supplement constitutes a supplement for the purposes of Article 16 of the Prospectus Directive. To the extent that there is any inconsistency between (a) any statement in this Base Prospectus Supplement and (b) any other statement in the Base Prospectus, the statement in this Base Prospectus Supplement will prevail.

The Notes and the corresponding Loans (together, the "Securities") have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")). Depending on the terms of the particular Series of Notes, the Notes may be offered and sold (i) within the United States to qualified institutional buyers (as defined in Rule 144A under the Securities Act ("Rule 144A")) that are also qualified purchasers (as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act")) in reliance on the exemption from registration provided by Rule 144A (the "Rule 144A Notes"); and (ii) to certain non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act (the "Regulation S Notes"). The Issuer has not been nor will be registered under the Investment Company Act. Prospective purchasers are hereby notified that sellers of the Rule 144A Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions, see "Subscription and Sale" and "Transfer Restrictions" in the Base Prospectus.

Arrangers and Permanent Dealers

Deutsche Bank **UBS Investment Bank**

Permanent Dealers

BofA Merrill Lynch
Credit Suisse
J.P. Morgan
Morgan Stanley
Renaissance Capital
UniCredit Bank

Commerzbank
IFC METROPOL
JSCB Rosbank
National Reserve Bank
The Royal Bank of Scotland

Financial Advisor to Gazprom
Horizon-Corporate Finance

The date of this Base Prospectus Supplement is September 13, 2013

This Base Prospectus Supplement has been prepared to update the Base Prospectus in relation to certain recent developments. The information included herein supplements, and to the extent inconsistent therewith replaces, the information about the Programme, the Issuer, Gazprom and Gazprom and its subsidiaries taken as a whole (the "Group") contained in the Base Prospectus. Except as disclosed herein, there has been no other significant new factor, material mistake or inaccuracy relating to the information contained in the Base Prospectus since the date of its publication. The Issuer (whose registered office appears below) and Gazprom (whose registered office is at 16 Nametkina Street 117997 Moscow, Russian Federation) accept responsibility for the information contained in this Base Prospectus Supplement. To the best of the knowledge and belief of the Issuer and Gazprom (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The language of this Base Prospectus Supplement is English. Certain legislative references and technical terms have been cited in their original language so that the correct technical meaning may be ascribed to them under applicable law.

This Base Prospectus Supplement does not constitute an offer to sell Notes, or an invitation by or on behalf of the Issuer, Gazprom, the Dealers or the Arrangers to subscribe for or purchase any Notes.

The distribution of this Base Prospectus Supplement and the offer or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus Supplement comes are required by the Issuer, Gazprom, any of the Dealers and the Arrangers to inform themselves about and to observe any such restrictions. In particular, the Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC") and will not be registered under the Securities Act. Subject to certain exceptions, Notes may not be offered or sold in the United States or to U.S. persons. Further information with regard to restrictions on offers and sales of the Notes and the distribution of the Base Prospectus, as supplemented by this Base Prospectus Supplement, is set out under "Subscription and Sale" in the Base Prospectus.

No person is authorized to provide any information or make any representation not contained in the Base Prospectus as supplemented by this Base Prospectus Supplement and any information or representation not contained in the Base Prospectus as supplemented by this Base Prospectus Supplement (including any information or representations contained within it) must not be relied upon as having been authorized by or on behalf of the Issuer, Gazprom, the Trustee, any of the Dealers or the Arrangers. Neither the delivery of this Base Prospectus Supplement nor any sale made in connection herewith shall, at any time or in any circumstances, imply that the information contained in it is correct as at any time subsequent to the date of this Base Prospectus Supplement. The websites of Gazprom and the members of the Gazprom Group and the information posted thereon do not form any part of the contents of this Base Prospectus Supplement.

Neither the delivery of this Base Prospectus Supplement nor the offer, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of Gazprom or the Group since the date of this Base Prospectus Supplement.

None of the Issuer, Gazprom, the Trustee, the Dealers or the Arrangers or any of the respective representatives makes any representation or warranty, express or implied, to any offeree or purchaser of the Notes offered hereby, regarding the legality of an investment by such offeree or purchaser under applicable legal, investment or similar laws. Each investor should consult with their own advisors as to the legal, tax, business, financial and related aspects of any purchase of the Notes. To the fullest extent permitted by law, none of the Dealers or the Arrangers accepts any responsibility for the contents of this Base Prospectus Supplement or for any other statement made or purported to be made by the Arrangers or a Dealer or on its behalf in connection with the Issuer, Gazprom or the issue and offering of the Notes. The Arrangers and each Dealer accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus Supplement or any such statement.

Prospective purchasers must comply with all laws that apply to them in any place in which they buy, offer or sell any Notes or possess this Base Prospectus Supplement. Any consents or approvals that are needed in order to purchase any Notes must be obtained by such prospective purchaser. Gazprom, the Issuer, the Trustee, the Arrangers and the Dealers are not responsible for compliance with these legal requirements. The appropriate characterization of any Notes under various legal investment restrictions, and thus the ability of investors subject to these restrictions to purchase such Notes, is subject to significant interpretative uncertainties. No representation or warranty is made as to whether or the extent to which any Notes constitute a legal investment for prospective investors whose investment authority is subject to legal restrictions. Such prospective investors should consult their legal advisors regarding such matters. Neither this Base Prospectus Supplement nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, Gazprom, the Arrangers or the Dealers that any recipient of this Base Prospectus Supplement or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus Supplement and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arrangers undertake to review the financial condition or affairs of the Issuer or Gazprom during the life of the arrangements contemplated by this Base Prospectus Supplement or to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arrangers.

The Arrangers, the Dealers and their respective affiliates have performed and expect to perform in the future various financial advisory, investment banking and commercial banking services for, and may arrange non-public market financing for, and enter into derivatives transactions with, Gazprom and its affiliates. The Arrangers and Dealers are acting exclusively for Gazprom and the Issuer and no one else in connection with the Programme and the Notes and will not be responsible to any other person for providing the protections afforded to their respective clients or for providing advice in relation to this offering.

In addition, in the ordinary course of their business activities, the Arrangers, Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, Gazprom or their respective affiliates. Certain of the Arrangers, the Dealers or their affiliates that have a lending relationship with the Issuer, Gazprom or their respective affiliates routinely hedge their credit exposure to the Issuer, Gazprom or their respective affiliates consistent with their customary risk management policies. Typically, such Arrangers, Dealers or their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's, Gazprom's or their respective affiliates' securities, including potentially any Notes offered hereby. Any such short positions could adversely affect future trading prices of any Notes offered hereby. The Arrangers, the Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Issuer is a *société anonyme* incorporated for an unlimited duration under the laws of the Grand Duchy of Luxembourg ("Luxembourg"). The Issuer is not a subsidiary of Gazprom. The registered office of the Issuer is located at 2, Boulevard Konrad Adenauer, L-1115 Luxembourg and the Issuer is registered with the *Registre de Commerce et des Sociétés à Luxembourg* (the Register of Commerce and Companies in Luxembourg) under number B-95071. For further information about the Issuer, see "Gaz Capital S.A" in the Base Prospectus.

This Base Prospectus Supplement has been filed with and approved by the Central Bank as required by the Prospectus (Directive 2003/71/EC) Regulations 2005.

Any investment in any Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank.

In connection with the issue of any Series of Notes, the Dealer or Dealers (if any) named as the Stabilizing Manager(s) (or any person acting on behalf of any Stabilizing Manager(s)) in the applicable Final Terms or Series Prospectus may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail.

However, this is no assurance that the Stabilizing Manager(s) (or any person acting on behalf of any Stabilizing Manager(s)) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series of Notes and 60 days after the date of the allotment of the relevant Series of Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or any person acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.

NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE BY THE DEALERS OR THE ARRANGERS AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH IN THIS BASE PROSPECTUS SUPPLEMENT, AND NOTHING CONTAINED IN THIS BASE PROSPECTUS SUPPLEMENT IS, OR SHALL BE RELIED UPON AS, A PROMISE OR REPRESENTATION, WHETHER AS TO THE PAST OR THE FUTURE.

EACH PERSON RECEIVING THIS BASE PROSPECTUS SUPPLEMENT ACKNOWLEDGES THAT SUCH PERSON HAS NOT RELIED ON THE DEALERS OR ANY OF THEIR AFFILIATES OR ANY PERSON ACTING ON THEIR BEHALF IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION OR ITS INVESTMENT DECISION. EACH PERSON CONTEMPLATING MAKING AN INVESTMENT IN ANY NOTES ISSUED UNDER THIS PROGRAMME FROM TIME TO TIME MUST MAKE ITS OWN INVESTIGATION AND ANALYSIS OF THE CREDITWORTHINESS OF THE ISSUER, GAZPROM AND THE GROUP AND ITS OWN DETERMINATION OF THE SUITABILITY OF ANY SUCH INVESTMENT, WITH PARTICULAR REFERENCE TO ITS OWN INVESTMENT OBJECTIVES AND EXPERIENCE, AND ANY OTHER FACTORS WHICH MAY BE RELEVANT TO IT IN CONNECTION WITH SUCH INVESTMENT.

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS BASE PROSPECTUS SUPPLEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

INFORMATION CONTAINED IN THIS BASE PROSPECTUS SUPPLEMENT IS NOT AN OFFER, OR AN INVITATION TO MAKE OFFERS, SELL, PURCHASE, EXCHANGE OR TRANSFER ANY SECURITIES IN THE RUSSIAN FEDERATION, AND DOES NOT CONSTITUTE AN ADVERTISEMENT OR OFFERING OF ANY SECURITIES IN THE RUSSIAN FEDERATION. THE SECURITIES REFERENCED IN THIS BASE PROSPECTUS SUPPLEMENT HAVE NOT BEEN AND WILL NOT BE REGISTERED IN THE RUSSIAN FEDERATION OR ADMITTED TO PUBLIC PLACEMENT AND/OR PUBLIC CIRCULATION IN THE RUSSIAN FEDERATION AND ARE NOT INTENDED FOR “PLACEMENT” OR “CIRCULATION” IN THE RUSSIAN FEDERATION EXCEPT AS PERMITTED BY RUSSIAN LAWS.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT, OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

AVAILABLE INFORMATION

Each of Gazprom and the Issuer has agreed that, for so long as any Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, Gazprom or the Issuer will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner or to the Trustee for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner, prospective purchaser or Trustee, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

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RISK FACTORS

The following section amends and supplements the discussion in the section of the Base Prospectus entitled "Risk Factors". Prospective investors should consider carefully the risks set forth below, the risk factors and the other information contained in the Base Prospectus prior to making any decision to invest in any Notes. Each of the risks highlighted below or in the Base Prospectus could have a material adverse effect on our businesses, operations and financial condition which, in turn, could have a material adverse effect on our ability to service our payment obligations under the Loan and thus on debt service on the Notes. In addition, the trading price of the Notes could decline due to any of these risks, and you could lose some or all of your investment.

You should note that the risks described below or in the Base Prospectus are not the only risks we face. We have described only the risks we consider to be material. However, there may be additional risks that we currently consider not to be material or of which we are not currently aware, and any of these risks could have the effects set forth above.

We have renegotiated the pricing under our long-term contracts with a number of our European natural gas customers to reflect the recent changes in natural gas market conditions in Europe. The renegotiated pricing of our natural gas sold to such customers has been revised in consideration of current market prices and, to a certain extent, linked to trading floor quotations for the price of natural gas. The failure to successfully renegotiate the pricing under certain of our long-term contracts or a significant difference between prices under our long-term contracts and natural gas market spot prices have affected, and in future periods could adversely affect, the amount of revenue generated by our natural gas sales in Europe, the FSU and other markets where we sell under such terms.

A significant increase in global gas liquefaction and European regasification capacities increased volatility in the European natural gas spot market. As a result, European spot prices are at times lower than the prices determined by our long-term contracts which leads to occasional declines in sales under our long-term contracts. We experienced such unfavorable price difference in 2010 and could continue to experience it in future preventing us from increasing our sales under long-term contracts.

In response to changes in the market conditions in Europe beginning in 2010, we linked a portion of pricing to trading floor quotations under some of our long-term contracts with European customers, while maintaining the link to oil product prices as the basis of our pricing mechanism in such long-term contracts. We consider these measures as temporary and intend to revert to previous pricing principles as soon as this pricing gap no longer exists. However, no assurance can be given that these measures will be reversed or not be enhanced, and if they are not reversed, our operating results could be adversely affected.

From 2010 through 2012, some of our customers brought claims against our exporting subsidiary, OOO Gazprom export ("Gazprom Export"), and certain other related parties involved in gas sales in Europe, seeking to review the contractual price of natural gas supplied under our long-term contracts, and the terms of settlement of our disputes with certain of these claimants have resulted in price revisions. From 2010 through 2012, we revised pricing with many of our customers including by introducing an alternative pricing mechanism. In the year ended December 31, 2012, our results of operations were negatively affected by retroactive gas price adjustments relating to volumes of gas delivered in 2010 and 2011 for which a discount was agreed in 2012. In June 2013, the ICC International Court of Arbitration in Paris partially granted RWE Transgas' request for purchase price adjustments under its long-term gas supply contract. The tribunal adjusted the purchase price formula of the contract by introducing a spot gas market component, which according to the tribunal reflected the relevant conditions in the gas market in May 2010. The tribunal also awarded RWE Transgas a partial reimbursement for payments made since May 2010, which approximately amounts to U.S.$1.5 billion. In addition, in January 2013, some of our customers requested revisions of our contract prices for periods beginning in 2013, and we are currently in negotiations with these customers. See "Gazprom—Distribution—Europe and Other Countries" in the Base Prospectus and "Recent Developments—Gazprom—Litigation and Investigations" in this Base Prospectus Supplement. No assurance can be given that the ongoing pricing negotiations with our customers will be successful and that possible future court decisions will be in our favor. The recent decision with respect to RWE Transgas will, and any similar occurrences in the future may, adversely affect our business, results of operations, cash flows and financial condition.

We are required to supply a significant portion of natural gas to customers in Russia at prices that are regulated by the Government.

We are, and are likely to remain for the foreseeable future, a natural monopoly with respect to activities in natural gas transportation through trunk pipelines in Russia. Wholesale prices of natural gas that we and our affiliates produce and sell to consumers in the Russian Federation are regulated by governmental authorities and are currently significantly lower than the prices we charge to western European off-takers, even after netting back customs duties and transit costs. Moreover, domestic wholesale natural gas prices for household consumers have been, and continue to be, lower than wholesale natural gas prices for industrial and commercial end users resulting in subsidizing households in the Russian Federation.

Government Resolution No. 1205 "On Improving State Regulation of Gas Prices" dated December 31, 2010 ("Resolution No. 1205") provides for (i) a phased increase of regulated wholesale gas prices during a transitional period from 2011 through 2014 in order to achieve parity in terms of profitability as between domestic sales and exports and (ii) the transitioning to a market pricing mechanism for all domestic gas consumers except households. See "Gazprom—Distribution—Europe and Other Countries—Russia—Domestic market conditions" in the Base Prospectus. However, no assurance can be given that natural gas prices in Russia will continue to increase in line with expected growth rates, or continue to increase at all, or that the Government will not revoke its plans for natural gas price increases and the transition to non-regulated prices. The Government is currently considering limiting the annual regulated wholesale gas price increase rates for all categories of Russian consumers to the level of inflation for the previous year starting in 2015 and freezing the regulated prices in 2014. If the natural gas prices we charge to Russian customers do not increase as currently proposed, our future results of operations, cash flows and financial condition could be adversely affected.

As an energy company we may incur material costs to comply with, or as a result of, environmental, health, and safety laws and regulations.

Our operations, which are often potentially hazardous, are subject to the risk of liability arising from environmental damage or pollution and the cost of any associated remedial work. Environmental laws regulate, among other things, the composition of emissions into the atmosphere, wastewater discharges and discharges to the sea, the use, handling and disposal of hazardous substances and wastes, soil and groundwater contamination and employee health and safety. As a production company, environmental liability risks are inherent in our operations. We have an established environmental policy and monitor our operations in an effort to meet applicable environmental standards. We have made provisions in our consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") for environmental liabilities where it is probable that an obligation exists and the cost related to such obligation could be reasonably estimated. Such provisions have been made in accordance with what we believe is a reasonable and prudent policy that takes into account payments made in prior years, among other factors. Currently, Russian federal, regional and local authorities occasionally enforce existing laws and regulations more strictly than they have done previously and are imposing stricter environmental standards, or higher levels of fines and penalties for violations.

Should we incur environmental liabilities in amounts above currently established provisions, or should environmental laws be enforced more strictly than they have been previously, it may adversely affect our business, results of operations, cash flows and financial condition.

Payments we make under the Loans may become subject to Russian withholding tax.

In general, interest payments on borrowed funds made by a Russian legal entity or organization to a non-Russian legal entity or organization having no registered presence or permanent establishment in Russia are subject to Russian withholding tax at the rate of 20%, which could be reduced or eliminated pursuant to the terms of an applicable double tax treaty subject to treaty clearance formalities to be satisfied by the foreign legal entity in a timely fashion.

In particular, the Convention between Grand Duchy of Luxembourg and the Russian Federation for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital signed on June 28, 1993 (the "Russia-Luxembourg double tax treaty") establishes that Russian withholding tax could be eliminated provided that certain criteria specified in the treaty are satisfied by the recipient of income.

The application of the tax benefits under the Russia-Luxembourg double tax treaty could be affected by the change in the interpretation by the Russian tax authorities of the concept of factual/beneficial owner of income. Specifically, on December 30, 2011 the Russian Ministry of Finance issued letter No. 03-08-13/1 (the "Letter") addressed to the Federal Tax Service, in which the Ministry of Finance asserted that in the context of a very specific eurobond structure, which is not the same as the structure of the transaction described in the Base Prospectus, a foreign issuer of eurobonds cannot benefit from the provisions of the Russia-Ireland double tax treaty in respect of interest paid by the Russian borrower because, in the view of the Ministry, such foreign issuers of eurobonds may not be considered as the beneficial owners of interest income. Conversely, the Letter says that holders of the notes could apply the provisions of the respective tax treaty (if any) concluded between Russia and the country of residency of each holder of the notes. We cannot preclude the possibility that the Russian tax authorities might apply the same approach to the payments made under the structure of the Programme as described in the Base Prospectus.

Notwithstanding anything to the contrary above, no withholding tax should arise in eurobond structures by virtue of the exemption envisaged by Federal Law No. 97-FZ dated June 29, 2012 "On introduction of amendments in part one and two of the Tax Code of the Russian Federation and article 26 of Federal law on banks and banking activity" (the "Law No. 97-FZ"). The Law No. 97-FZ provides that Russian borrowers should be fully released from the obligation to withhold tax from interest and other payments made to foreign entities provided that certain conditions are met. See "Taxation—Russian Federation."

The release from the obligation to withhold tax from interest and other payments described herein will apply retrospectively to income paid since 2007.

We believe that it should be possible to satisfy conditions established by the Law No. 97-FZ and obtain a release from the obligation to withhold tax from payments of interest and certain other amounts, as the case may be, on each Loan to the Issuer.

Importantly, the Law No. 97-FZ does not provide an exemption to the foreign interest income recipients from Russian withholding tax, although currently there is no requirement in the Russian tax legislation for the foreign income recipients being the legal entities to self-assess and pay the tax to the Russian tax authorities. The Russian Ministry of Finance acknowledged in its information letter published on its website that the release from obligation to act as a tax agent means, in effect, that tax at source within Russia should not arise in connection with eurobonds, since there is neither a mechanism nor obligation for a non-resident to independently calculate and pay such tax. There can be no assurance that such rules will not be introduced in the future or that the Russian tax authorities would not make attempts to collect the tax from the foreign income recipients, including the Issuer or the Noteholders.

If interest and/or any other amounts due under any Loan become payable to the Trustee pursuant to the Trust Deed, there is some residual uncertainty whether the release from the obligation to withhold tax under the Law No. 97-FZ is available to the Trustee. There is a potential risk that Russian withholding tax in respect of payments of interest and some other amounts to the Trustee at the rate of 20% (or such other tax rate as may be effective at the time of payment) or, with respect to non-resident individual Noteholders, Russian personal income tax at the rate of 30% (or such other tax rate that may be effective at the time of payment) may be deducted by Gazprom upon making such payments to the Trustee. It is not expected that the Trustee will, or will be able to, claim a Russian withholding tax exemption or reduction under any applicable double tax treaty under such circumstances. In addition, while some Noteholders that are persons not residing in Russia for tax purposes may seek a reduction or elimination of Russian withholding tax or personal income tax, as applicable, or a refund of the respective taxes under applicable double tax treaties entered into between their countries of tax residence and the Russian Federation, where such treaties exist and to the extent they are applicable, there is no assurance that any treaty relief will be available to them in practice under such circumstances.

If interest payments or any other amounts due under any Loan become subject to Russian withholding tax (as a result of which the Issuer will reduce the respective payments made under the corresponding Series of the Notes by the amount of such withholding tax) we will be obligated under the terms of the relevant Loan Agreement to increase the respective payments, as may be necessary to ensure that the net amount of payments received by the Issuer will not be less than the amount it would have received in absence of such withholding. It is unclear however whether provisions of the relevant Loan Agreement obliging us to gross up any payments under the Loans will be enforceable under Russian law as currently in effect. There is a risk that gross-up for withholding tax will not take place and that payments we made under the Loans will be reduced by the amount of Russian income tax or Russian personal income tax withheld by us at source. See "Taxation—Russian Federation."

If we are obligated to increase any payments on any or all Loans or to make additional payments on any or all Loans as described above, we may (without premium or penalty), subject to certain conditions, prepay the relevant Loan in full. In such case, all outstanding Notes of the corresponding Series will each be redeemable at par together with accrued and unpaid interest and additional amounts, if any, to the date of repayment. See "Terms and Conditions of the Notes" and "Taxation—Russian Federation."

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

This section supplements the section entitled "Summary Consolidated Financial Information" beginning on page 50 of the Base Prospectus.

Our financial information set forth herein, unless otherwise indicated, has been derived from our audited consolidated financial statements prepared as of and for each of the years ended December 31, 2012, 2011 and 2010 (the ''Annual consolidated financial statements''), in accordance with International Financial Reporting Standards (''IFRS'') as issued by International Accounting Standards Board, and our unaudited consolidated interim condensed financial information prepared as of and for the three months ended March 31, 2013 (the "Unaudited consolidated interim condensed financial information"), in accordance with International Accounting Standard No. 34, Interim Financial Reporting. Our Annual consolidated financial statements and Unaudited consolidated interim condensed financial information (together, the "Group's Financial Statements") are included in the Base Prospectus and in this Base Prospectus Supplement, respectively. The summary consolidated financial information set forth below should be read in conjunction with the Group's Financial Statements, the section entitled "Summary Consolidated Financial Information" beginning on page 50 of the Base Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations" below and in the Base Prospectus.

In 2013, the Group adopted IFRS amendments and interpretations that have been effective since January 1, 2013, and which are relevant to its operations. See "Management's discussion and analysis of financial condition and results of operations - Summary of significant accounting policies and accounting estimates". Unless otherwise indicated, consolidated condensed statement of comprehensive income and consolidated condensed statement of cash flows data of the Group for the three months ended March 31, 2013 and 2012 and consolidated balance sheet data of the Group as of December 31, 2012 and 2011 presented in this Base Prospectus Supplement reflect these changes in IFRS, has been extracted or derived from our Unaudited consolidate interim condensed financial information and is identified as "restated" when presented in tabular form. However, the financial information of the Group for other periods presented in this Base Prospectus Supplement has been extracted or derived from the audited annual consolidated financial statements prepared before the adoption of the abovementioned standards, and thus may not be fully comparable to our Unaudited consolidated interim condensed financial information.

The U.S. dollar amounts set forth below were not included in the Group's Financial Statements and are provided for convenience only. Totals may not sum due to rounding. They should not be construed as representations that the RR amounts have been or could be converted into U.S. dollars at that or any other rate or as being representative of the U.S. dollar amounts that would have resulted if we reported in U.S. dollars. The U.S. dollar amounts have been translated from the RR amounts at the rate of RR31.08 = U.S.$1.00, which was the CBR rate on March 31, 2013.

	Three months ended March 31,				Year ended December 31,					
	2013		2012 (Restated)		2012		2011		2010	
	U.S.$	RR	U.S.$	RR	U.S.$	RR	U.S.$	RR	U.S.$	RR
	(amounts in millions)									
Statement of Income										
Sales	47,022	1,461,441	39,423	1,225,278	153,295	4,764,411	149,199	4,637,090	115,735	3,597,054
Net gain from trading activity	148	4,592	48	1,490	91	2,821	90	2,791	201	6,256
Operating expenses[1]	(30,568)	(950,052)	(29,523)	(917,575)	(111,907)	(3,478,056)	(95,979)	(2,983,038)	(80,099)	(2,489,488)
Operating profit	16,602	515,981	9,948	309,193	41,479	1,289,176	53,309	1,656,843	35,837	1,113,822
Net interest expense[2]	(41)	(1,286)	(321)	(9,990)	(338)	(10,512)	(428)	(13,313)	(580)	(18,022)
Net monetary effects and other financing items[3]	(728)	(22,640)	3,841	119,385	2,292	71,245	(2,060)	(64,022)	667	20,716
Other[4]	(69)	(2,136)	1,377	42,783	5,214	162,046	3,231	100,428	5,057	157,187
Profit tax expense of which	(3,274)	(101,767)	(2,902)	(90,194)	(9,697)	(301,389)	(10,859)	(337,494)	(8,871)	(275,710)
Current profit tax expense	(216)	(6,705)	(3,304)	(102,682)	(8,882)	(276,045)	(8,984)	(279,216)	(8,024)	(249,387)
Deferred profit tax expense	(3,059)	(95,062)	402	12,488	(815)	(25,344)	(1,875)	(58,278)	(847)	(26,323)
Profit for the period	12,489	388,152	11,943	371,177	38,950	1,210,566	43,193	1,342,442	32,110	997,993
Profit attributable to non-controlling interest	241	7,487	314	9,774	899	27,941	1,140	35,424	947	29,436
Profit attributable to equity holders of Gazprom	12,248	380,665	11,628	361,403	38,051	1,182,625	42,053	1,307,018	31,163	968,557

	As of March 31,		As of December 31,					
	2013		2012 (Restated)		2011 (Restated)		2010	
	U.S.$	RR	U.S.$	RR	U.S.$	RR	U.S.$	RR
	(amounts in millions)							
Balance Sheet								
Assets								
Total current assets, of which	83,361	2,590,874	77,889	2,420,803	72,339	2,248,293	60,035	1,865,895
Cash and cash equivalents and certain restricted cash(5)	18,433	572,890	13,815	429,378	16,366	508,643	14,300	444,455
Total long-term assets, of which	309,652	9,623,984	306,822	9,536,033	274,706	8,537,847	237,133	7,370,098
Property, plant and equipment	257,993	8,018,433	255,765	7,949,170	220,467	6,852,103	176,526	5,486,429
Total assets	393,013	12,214,858	384,712	11,956,836	347,044	10,786,140	297,168	9,235,993
Liabilities and Equity								
Total current liabilities, of which	38,309	1,190,630	48,007	1,492,066	42,200	1,311,577	32,537	1,011,261
Taxes payable	4,910	152,609	4,197	130,440	4,647	144,439	3,783	117,569
Short-term borrowings and current portion of long-term borrowings	9,526	296,079	10,380	322,625	11,663	362,485	6,140	190,845
Short-term promissory notes payable	2	51	0	8	2	51	7	207
Total long-term liabilities, of which	69,429	2,157,839	63,862	1,984,825	61,272	1,904,343	54,323	1,688,371
Long-term borrowings	40,193	1,249,190	37,900	1,177,918	37,783	1,174,283	36,177	1,124,395
Long-term promissory notes payable	–	–	1	41	–	–	–	–
Restructured tax liabilities	–	–	–	–	–	–	0	1
Total liabilities	107,737	3,348,469	111,869	3,476,891	103,472	3,215,920	86,861	2,699,632
Total equity, of which	285,276	8,866,389	272,843	8,479,945	243,572	7,570,220	210,308	6,536,361
Non-controlling interest	9,573	297,520	9,949	309,212	9,568	297,374	9,222	286,610
Shareholders' equity	275,704	8,568,869	262,894	8,170,733	234,004	7,272,846	201,086	6,249,751

	Three months ended March 31,				Year ended December 31,					
	2013		2012 (Restated)		2012		2011		2010	
	U.S.$	RR	U.S.$	RR	U.S.$	RR	U.S.$	RR	U.S.$	RR
					(amounts in millions)					
Certain Items and Ratios										
Adjusted EBITDA[6]	20,142	626,019	12,583	391,073	50,608	1,572,892	62,115	1,930,533	43,880	1,363,778
Gross interest expense[7]	(226)	(7,011)	(500)	(15,532)	(1,190)	(36,992)	(1,030)	(31,998)	(1,246)	(38,714)
Net interest expense[2]	(41)	(1,286)	(321)	(9,990)	(338)	(10,512)	(428)	(13,313)	(580)	(18,022)
Total debt[8]	49,721	1,545,320	45,111	1,402,050	48,415[10]	1,504,741[10]	49,555[10]	1,540,162[10]	42,325	1,315,448
Net debt[9]	31,288	972,430	22,781	708,026	34,799[10]	1,081,547[10]	33,299[10]	1,034,941[10]	28,024	870,993
Adjusted EBITDA/ Gross interest expense	89.29	–	25.18	–	42.52	–	60.33	–	35.23	–
Adjusted EBITDA/ Net interest expense	486.80	–	39.15	–	149.63	–	145.01	–	75.67	–
Net debt/Adjusted EBITDA	1.55	–	1.81	–	0.69[10]	–	0.54[10]	–	0.64	–

Notes:

(1) Includes impairment provisions for accounts receivable and prepayments, property, plant and equipment, investments and other long-term assets and inventory obsolescence.

(2) Interest expense less interest income.

(3) Exchange gains less exchange losses.

(4) Share of net income (loss) of associated undertakings and gains (losses) on available-for-sale investments.

(5) Cash and cash equivalents and certain restricted cash include balances of cash and cash equivalents restricted as to withdrawal under the terms of certain borrowings and other contractual obligations but exclude cash restricted as to withdrawal under banking regulations.

(6) Reconciliation from Adjusted EBITDA to operating profit:

	Three months ended March 31,				Year ended December 31,					
	2013		2012 (Restated)		2012		2011		2010	
	U.S.$	RR	U.S.$	RR	U.S.$	RR	U.S.$	RR	U.S.$	RR
					(amounts in millions)					
Adjusted EBITDA	20,142	626,019	12,583	391,073	50,608	1,572,892	62,115	1,930,533	43,880	1,363,778
Less: Depreciation	(3,535)	(109,873)	(2,658)	(82,607)	(10,752)	(334,162)	(8,854)	(275,184)	(8,034)	(249,693)
less: releases (charges) of provisions for impairment of assets[1]	(428)	(13,314)	(294)	(9,123)	103	3,208	(1,315)	(40,857)	(1,567)	(48,711)
plus: charges of provisions of accounts receivable and prepayments	423	13,149	317	9,850	1,520	47,238	1,363	42,351	1,559	48,448
Operating profit	16,602	515,981	9,948	309,193	41,479	1,289,176	53,309	1,656,843	35,837	1,113,822

Adjusted EBITDA should not be considered as an alternative to profit, operating profit, net cash provided by operating activities or any other measure of performance under IFRS and may not be comparable to similar non-GAAP measures used by other companies.

(7) Interest expense on taxes payable, short- and long-term debt and other interest expense, excluding capitalized interest on borrowings.

(8) Short-term borrowings and current portion of long-term borrowings, short-term promissory notes payable, long-term borrowings, long-term promissory notes payable and restructured tax liabilities.

(9) Total debt less cash and cash equivalents and balances of cash and cash equivalents restricted as to withdrawal under the terms of certain borrowings and other contractual obligations.

(10) Calculated based on the financial information items as presented in our Annual consolidated financial statements for the respective year.

SUMMARY PRODUCTION INFORMATION

This section replaces in its entirety the section entitled "Summary Production Information" on page 55 of the Base Prospectus.

The following table sets forth our summary production data for the periods indicated. Our production activities are more fully described in "Gazprom—Reserves and Production" in the Base Prospectus.

	For the three months ended March 31,		For the year ended December 31,		
	2013	2012	2012	2011	2010
Natural gas (bcm)	136.9	141.8	487.0	513.2	508.6
(mmboe)	806.3	835.2	2,868.5	3,022.6	2,995.6
Gas condensate (million tons)	3.8	3.3	12.8	12.1	11.3
(mmbls)	31.1	27.0	105.1	98.7	92.4
Crude oil (million tons)	8.2	8.2	33.3	32.3	32.0
(mmbls)	60.1	60.1	244.3	236.6	234.6
Total (mmboe)	**897.5**	**922.3**	**3,218.0**	**3,357.9**	**3,322.6**

SUMMARY SALES AND OPERATING INFORMATION

This section supplements, and should be read in conjunction with, the section entitled "Summary Sales and Operating Information" on page 56 of the Base Prospectus.

The following table summarizes certain sales and operating information for the periods indicated. You should read this information together with our Unaudited consolidated interim condensed financial information included elsewhere in this Base Prospectus Supplement and our Annual consolidated financial statements included in the Base Prospectus and the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations" below and in the Base Prospectus. See section entitled "Gazprom" in the Base Prospectus for a full description of our sales and operations.

In 2013, the Group adopted IFRS amendments and interpretations that have been effective since January 1, 2013 and which are relevant to its operations. See "Management's discussion and analysis of financial condition and results of operations - Summary of significant accounting policies and accounting estimates" below. Sales and operating information for the three months ended March 31, 2012 reflects these changes to IFRS and is identified as "restated" in the tables below.

The U.S. dollar amounts below were not included in our consolidated financial information and are provided for convenience only. They should not be construed as representations that the RR amounts have been or could be converted into U.S. dollars at that or any other rate or as being representative of U.S. dollar amounts that would have resulted if we reported in U.S. dollars. The U.S. dollar amounts have been translated from the RR amounts at the rate of RR31.08 = U.S.$1.00, which was the CBR rate on March 31, 2013, unless otherwise stated.

	Three months ended March, 31				**Year ended December 31,**					
	2013		**2012 (Restated)**		**2012**		**2011**		**2010**	
	U.S.$	**RR**	**U.S.$**	**RR**	**U.S.$**	**RR**	**U.S.$**	**RR**	**U.S.$**	**RR**
	(amounts in millions, except volumes)									
Gas (bcm)	154	154	162	162	482	482	519	519	496	496
Domestic sales(1)	9,019	280,298	8,657	269,070	24,475	760,696	23,765	738,601	20,490	636,843
Export sales(1)	22,031	684,737	21,386	664,667	78,307	2,433,767	79,107	2,458,653	59,577	1,851,658
FSU(1)	4,717	146,605	5,546	172,365	20,168	626,820	22,360	694,937	15,888	493,806
Europe and Other Countries(1)	17,314	538,132	15,840	492,302	58,139	1,806,947	56,748	1,763,716	43,689	1,357,852
Total	**31,050**	**965,035**	**30,043**	**933,737**	**102,782**	**3,194,463**	**102,872**	**3,197,254**	**80,068**	**2,488,501**

Note:

(1) Gross sales (including customs duties and net of VAT).

The following table sets out our average prices per mcm of natural gas (including customs duties and net of VAT) for the periods indicated in nominal terms (actual prices realized at the time). Our sales to Europe and Other Countries and the FSU (other than to Belarus) are denominated in convertible currencies, mainly in U.S. dollars.

	Three months ended March 31,				**Year ended December 31,**					
	2013		**2012**		**2012**		**2011**		**2010**	
	Average price, U.S.$(1)	**Average price, RR**	**Average price, U.S.$(1)**	**Average price, RR**	**Average price, U.S.$(1)**	**Average price, RR**	**Average price, U.S.$(1)**	**Average price, RR**	**Average price, U.S.$(1)**	**Average price, RR**
Europe and Other Countries	390.0	11,862.8	383.8	11,525.7	385.1	11,969.8	383.0	11,259.1	301.8	9,166.9
FSU	265.2	8,066.0	287.5	8,633.4	305.3	9,489.5	289.5	8,509.3	231.8	7,039.0
Russia	102.1	3,104.5	90.0	2,701.3	92.4	2,871.4	89.5	2,631.7	75.6	2,296.8

Note:

(1) Calculated based on average exchange rate for respective periods.

Information with respect to sales of gas condensate, crude oil and refined products including Gazprom Neft's operations is set forth under "Gazprom—Distribution" in the Base Prospectus.

CAPITALIZATION

This section replaces in its entirety the section entitled "Capitalization" on page 58 of the Base Prospectus.

The following table shows our consolidated cash and cash equivalents and certain restricted cash, short-term borrowings and current portion of long-term borrowings, short-term promissory notes payable and total capitalization, consisting of long-term borrowings, long-term promissory notes payable and total equity, as of March 31, 2013, extracted from our Unaudited consolidated interim condensed financial information. For further information regarding our financial condition, see "Summary Consolidated Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Group's Financial Statements included elsewhere in this Base Prospectus Supplement and in the Base Prospectus.

The U.S. dollar amounts set forth below were not included in our annual audited consolidated financial statements and are provided for convenience only. They should not be construed as representations that the RR amounts have been or could be converted into U.S. dollars at that or any other rate or as being representative of U.S. dollar amounts that would have resulted if we reported in U.S. dollars. The U.S. dollar amounts have been translated from the RR amounts at the rate of RR31.08 = U.S.$1.00, which was the CBR rate on March 31, 2013.

	As of March 31, 2013	
	RR	**U.S.$[3]**
	(amounts in millions)	
Cash and cash equivalents and certain restricted cash[(1)]	574,525	18,485
Short-term borrowings and current portion of long-term borrowings	296,079	9,526
Short-term promissory notes payable	51	2
Total	296,130	9,528
Long-term borrowings	1,249,190	40,193
Total equity, of which:	8,866,389	285,276
Share capital[(2)]	325,194	10,463
Treasury shares	(104,200)	(3,353)
Retained earnings and other reserves	8,347,875	268,593
Non-controlling interest	297,520	9,573
Total capitalization[(3)]	10,115,579	325,469

Notes:

(1) Includes cash restricted as to withdrawal under the terms of certain borrowings and other contractual obligations.

(2) Authorized, issued and paid-in share capital consists of 23.7 billion ordinary shares, each with a historical par value of RR5.

(3) Totals may not sum due to rounding.

Since March 31, 2013, we have incurred debt obligations, including the following:

In April 2013, Gazprom Neft obtained from GPN Capital S.A. a euro 750 million 2.933% loan due in 2018.

In April 2013, Gazprom Neft signed a U.S.$1 billion syndicated loan agreement. The agreement comprises a U.S.$700 million 1.75%, 5 year amortizing term loan facility and a 3 year U.S.$ 300 million revolving loan facility bearing an interest at a rate of LIBOR plus a margin ranging from 1.2% to 1.5% per year, depending on the level of utilization of the revolving loan facility. Gazprom Neft have not yet utilized this loan facility.

In May 2013, Gazprom Neft received a euro 258 million loan under a loan facility agreement signed in July 2012.

In July 2013, we obtained from the Issuer a euro 900 million 3.7% loan due in 2018.

In June and July 2013, we obtained from OAO VTB Bank U.S.$250 million and U.S.$500 million 3.25% loans due in 2015.

RECENT DEVELOPMENTS

The following section supplements the discussion in certain sections of the Base Prospectus entitled "Presentation of Certain Information" and "Gazprom". The statements under this section contain forward-looking statements. These statements are not guarantees of future financial performance and the Group's actual results could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including, but not limited to, those described under "Forward looking Statements" in the Base Prospectus. Investors are urged not to place undue reliance on the forward-looking statements set out below. Certain figures included in this Base Prospectus Supplement have been subject to rounding adjustments; percentage change figures reflect actual changes, before rounding.

Strategy

Updated Gazprom Neft Strategy

In May 2013, Gazprom Neft's Board of Directors approved its 2025 development strategy. Gazprom Neft seeks to maintain its position as a major international player in the oil and gas industry with a regionally diversified pool of assets operated on a vertically integrated basis while bearing substantial social and environmental responsibility.

In its production segment, Gazprom Neft intends to increase the annual hydrocarbon production up to 100 mtoe by 2020 and to maintain it at this level through 2025. Gazprom Neft expects to produce at least 10% of overall hydrocarbon production outside Russia. The proved reserve-to-production ratio is planned to be maintained at the current level during the period of at least 20 years. To achieve this objective Gazprom Neft intends to enhance profitability of extraction of the remaining resources at its active production sites by applying technological innovations and by optimizing development processes while reducing the cost of production technologies Gazprom Neft currently employs. Gazprom Neft aims to create a new production center in the north of the Yamalo-Nenetsky Autonomous Area and to expand its presence in the Arctic shelf. Gazprom Neft considers unconventional reserves such as tight oil as an additional opportunity to increase production. Gazprom Neft seeks to establish new production centers in Russia after 2020 and to increase its international presence.

In refining, Gazprom Neft prioritizes leadership in operational efficiency and modernization of its refining assets. The development of petroleum processing abroad is focused on locating assets in Europe and south-east Asia, the two principal regional markets for Gazprom Neft. We anticipate that the strategy implemented by Gazprom Neft will allow it to process an average of 40 million tons of crude oil a year, reduce the percentage of fuel oil to 5% of total output and achieve a processing depth of 95% and light oil products yield of 77% in Russia in 2025.

Gazprom Neft's primary objective with respect to its retail sales is to maximize returns through the use of its own distribution channels for all petroleum products. In the motor fuel sales segment, Gazprom Neft seeks to increase its sales in Russia and CIS up to 24.7 million tons by 2025. In order to achieve this strategic objective, Gazprom Neft plans to expand its gasoline station network in Russia and CIS up to 1,880 stations by 2025. Gazprom Neft also plans to significantly increase its sales of aviation and bunkering fuels, lubricants, technological liquids and bitumen materials.

Electricity

We own significant power generation assets in Russia. The aggregate capacity of our three major power generation subsidiaries was 37.6 GW as of December 31, 2012. Pursuant to our capacity supply contracts, we are obligated to supply certain capacity during specific periods through 2016. We implement investment projects in power generation primarily in order to meet our obligations under capacity supply contracts. Our capacity supply contracts require us to commission 9 GW of new capacities in the period from 2007 through 2016. We commissioned approximately 5 GW in the period from 2007 through 2012. We intend to put on stream 4 GW of new capacities in the period from 2013 through 2016. We are also involved in certain other projects to construct power plants in Russia.

Operational Developments

Licensing Activities

In December 2012, we applied for licenses for 20 fields located in the Barents, Kara, East Siberian and Chukchi Seas where we intend to engage in large-scale exploration. In the period from May through July 2013, we obtained exploration and production licenses for the Ledovyi (including the Ledovoye field), Demidovskiy, Medvezhiy, Fersmanovkiy, Morskoy, Skuratovskiy, Nyarmeyskiy, Ludlovskiy (including the Ludlovskoye field), Rusanovskiy (including the Rusanovskoye field) and Beloostrovskiy licensed areas, the subsoil plots of federal importance located in the Barents and Kara Seas. The C^1+C^2 categories reserves of the Ledovoye, Ludlovskoye and Rusanovskoye fields are estimated at 1,412.3 bcm of gas and 12.0 million tons of gas condensate. The aggregate C^3 and projected D^1-^{2} resources of the other licensed areas amount to 7,607.5 bcm of gas and 322.7 million tons of liquid hydrocarbons. Our one-time license payment is approximately RR41.7 billion. In addition, in July 2013, we applied for a subsoil use license for the Kheysovskiy area on the shelf of the Barents Sea.

Production

The following table sets forth our summary production data in Russia for the periods indicated.

	For the three months ended March 31,		For the year ended December 31,		
	2013	2012	2012	2011	2010
Natural gas (bcm)	136.9	141.8	487.0	513.2	508.6
(mmboe)	806.3	835.2	2,868.5	3,022.6	2,995.6
Gas condensate (million tons)	3.8	3.3	12.8	12.1	11.3
(mmbls)	31.1	27.0	105.1	98.7	92.4
Crude oil (million tons)	8.2	8.2	33.3	32.3	32.0
(mmbls)	60.1	60.1	244.3	236.6	234.6
Total (mmboe)	**897.5**	**922.3**	**3,218.0**	**3,357.9**	**3,322.6**

The decrease in our natural gas and gas condensate production in the three month period ended March 31, 2013 compared to the three month period ended March 31, 2012 was primarily due to a decline in our sales volumes in Russia and the FSU countries.

Due to the decrease in demand for our natural gas in Russia in the first half of 2013, we have revised the anticipated production levels at our major fields. In particular, we have decreased our forecast in respect of production at the Bovanenkovskoye field for 2013, which is currently estimated at 26.5 bcm of natural gas and 17.2 thousand tons of gas condensate.

Transportation

The following table sets out data on the natural gas balance of the GTS in Russia for the periods indicated (including natural gas in transit from central Asia and Azerbaijan).

	For the three months ended March 31,		For the year ended December 31,		
	2013	2012	2012	2011	2010
			(bcm)		
Total GTS inflow[1]	**193.4**	**203.6**	**666.2**	**683.2**	**661.2**
System inflow	169.9	172.1	615.2	630.9	614.1
(including central Asian and Azerbaijanian gas)	7.3	6.9	33.3	33.3	36.1
Withdrawals from Russian UGSFs	21.8	29.3	43.3	47.1	40.8
Decrease in GTS reserves[2]	1.7	2.2	6.7	5.2	6.3
Total distribution from GTS[1]	**193.4**	**203.6**	**666.2**	**683.2**	**661.2**
Deliveries to customers in Russia	123.9	130.3	362.3	365.6	354.9
(including central Asian gas)	0.0	0.0	0.0	0.1	0.1
Deliveries outside Russia	55.8	57.5	209.3	217.7	209.3
(including transit of central Asian and Azerbaijanian gas)	7.3	6.9	33.2	33.3	36.0
Addition to Russian UGSFs	0.1	0.4	44.1	48.2	47.7
Technological needs of GTS and UGSFs	12.2	13.0	40.9	45.8	43.6
Increase in GTS reserves[2]	1.4	2.4	9.6	5.9	5.7

Notes:

(1) These numbers do not include gas volumes withdrawn from foreign UGSFs and delivered outside Russia.

(2) A significant extension of the GTS involves maintaining a large volume of gas in the pipeline. This allows the system operators, increasing or decreasing the pressure at its different divisions, to accumulate excess gas in the pipeline for a certain period of time or to use it for extra supply. Thus, within a certain period, the shipment chain may transfer a lesser or larger volume of gas from one operator to another. The line shows the result of such operations as a total amount accumulated for a reporting period.

In the three month period ended March 31, 2013, our GTS natural gas throughput decreased by approximately 5% compared to the three month period ended March 31, 2012, primarily due to a decline in natural gas deliveries to Russian customers.

GTS extension to ensure supplies to the South Stream pipeline

We are considering an issuance of bonds in the amount of up to RR100 billion to finance the project of the GTS extension to ensure supplies to the South Stream pipeline.

Refining

Processing of oil, natural gas and gas condensate

The following table sets out total hydrocarbon feedstock input we used at refining facilities for the periods indicated.

	For the three months ended March 31,		For the year ended December 31,		
	2013	2012	2012	2011	2010
Natural gas, bcm	**8.2**	**8.3**	**33.7**	**33.2**	**33.6**
Unstable gas condensate and crude oil, million tons	**14.5**	**13.7**	**61.4**	**53.5**	**50.2**
including gas processing subsidiaries	4.1	3.5	18.1	13.0	12.3
including Gazprom Neft in Russia	9.5	9.4	39.2	38.1	35.0
including Gazprom Neft abroad	0.9	0.8	4.1	2.4	2.9

Distribution

The following table sets out our natural gas sales volumes by geographical market for the periods indicated.

	For the three months ended March 31,		For the year ended December 31,		
	2013[1]	2012[1]	2012[1]	2011[1]	2010[1]
Natural gas sales					
Russia	90.3	99.6	264.9	280.7	277.3
FSU[2]	18.2	20.0	66.1	81.7	70.2
Europe and Other Countries[2]	45.4	42.7	151.0	156.6	148.1
Total	**153.9**	**162.3**	**482.0**	**519.0**	**495.6**

Notes:

(1) Net of trading activity without supplies of natural gas.

(2) Our sales to the FSU countries and to Europe and Other Countries include both export from Russia, and sales of gas purchased outside Russia.

Cooperation with FSU countries in gas marketing

In July 2013, the government of Kyrgyzstan entered into an intergovernmental agreement with the Russian government which among other things provides for a formation of OOO KyrgyzgazProm ("KyrgyzgazProm"), a wholly owned subsidiary of OAO Kyrgyzgas ("Kyrgyzgas"), and the transfer to KyrgyzgazProm of all assets and liabilities of Kyrgyzgas existing as of the date of the agreement. Kyrgyzgas is the owner of gas distribution facilities in Kyrgyzstan. The agreement provides that we would acquire 100% of KyrgyzgazProm for one U.S. dollar while assuming obligations to invest at least RR20.0 billion in the development and modernization of the Kyrgyz gas distribution facilities over a 5 year period, to comply with the tariff policy set forth by the Kyrgyz state authorities and to ensure reliable gas supplies to customers in Kyrgyzstan. Pursuant to the agreement, we expect to be granted an exclusive right to import gas to Kyrgyzstan and a priority right of exploration and development of hydrocarbon resources in Kyrgyzstan. The agreement also provides guarantees of protection of our investments against expropriation and nationalization. The agreement will become effective upon the ratification by the Russian and Kyrgyz parliaments. The transaction contemplated under the intergovernmental agreement is subject to approval by Gazprom's Board of Directors.

Europe

In July 2013, we reached a preliminary agreement with GDF with regard to the principal conditions of gas supplies, including with respect to pricing. The agreement became effective retroactively starting from January 2013.

Europe and Other Countries

In the three month period ended March 31, 2013, our natural gas sales in Europe and Other countries increased by approximately 6% compared to the three month period ended March 31, 2012, primarily due to colder than usual weather conditions, a reduction in supply caused by the diversion of significant volumes of LNG to Asian markets, the declining gas production in Europe, in particular in Germany and the United Kingdom, and a decrease in market share of other pipeline gas suppliers in certain countries.

Russia

In the three month period ended March 31, 2013, our natural gas sales in Russia declined by approximately 9% compared to the three month period ended March 31, 2012, primarily as a result of warm weather conditions and due to the increase of gas production by independent suppliers and their direct supplies to customers, including to Mosenergo and to customers in the Kostroma region.

The FSU

In the three month period ended March 31, 2013, our natural gas sales in the FSU decreased by approximately 9% compared to the three month period ended March 31, 2012, primarily as a result of the economic slowdown, reduced industrial production, recession in certain FSU countries, increased use of alternative energy sources, in particular, pursuant to the policy of intensified substitution of natural gas by coal in Ukraine.

Pricing in Russia

The Economic Development Scenarios in Russia, developed by the Ministry of Economic Development and approved by the Government (the "Scenarios") provide for the domestic weighted average wholesale price increase rates in the medium term. Currently, the Scenarios for 2014 through 2016 are being revised. The Government is considering limiting the annual regulated wholesale gas price increase rates in each year to the level of inflation for the previous year starting in 2015 and freezing the regulated prices in 2014. See "Risk Factors—We are required to supply a significant portion of natural gas to customers in Russia at prices that are regulated by the Government."

Electric and heat energy generation and sales

The following table sets out electric power and heat generated by the Group for the periods indicated.

	For the three months ended March 31,		For the year ended December 31,		
	2013	2012	2012	2011	2010
			(billion kwH)		
Electric power generated					
Russia	45.8	49.5	166.9	172.8	174.7
Europe and Other Countries	–	–	–	–	–
FSU countries	–	0.2	1.3	0.4	0.4
Total	**45.8**	**49.7**	**168.2**	**173.2**	**175.1**
			(million Geal)		
Heat generated					
Russia	43.3	44.1	101.1	98.8	105.5
Europe and Other Countries	–	–	–	–	–
FSU countries	–	0.7	1.4	1.4	1.4
Total	**43.3**	**44.8**	**102.5**	**100.2**	**106.9**

In the three months ended March 31, 2013, our electric power generation decreased by approximately 7.5% compared to the three months ended March 31, 2012, primarily as a result of a decrease in demand for electric power generated by Mosenergo caused by the commissioning of new capacities at the Kalinin nuclear power plant in the Tver Region and the reduction in power generation at the less profitable portion of the capacities of OGK-2.

MIPC Auction

In August 2013, we won an open auction for the acquisition of a 89.98% interest in Joint Stock Company Moscow Integrated Power Company ("MIPC") and the property technologically integrated with the heating infrastructure of Moscow which MIPC currently leases from the Government of Moscow. The auction price amounted to RR98.6 billion. In September 2013, we entered into a share purchase agreement and shall pay the purchase price by September 16, 2013. We expect to achieve synergies through the combining MIPC's capacities with the assets of Mosenergo.

In June 2013, we signed a roadmap with the Republic of Serbia in relation to a potential construction of gas-fired power stations in Serbia and are currently negotiating terms and conditions of the projects.

Associated companies and development of associated projects in Russia

Nortgaz. As of December 31, 2012, we held a 51% stake in ZAO Nortgaz ("Nortgaz"). In May 2013, we contributed our interest in Nortgaz to the charter capital of OOO Gazprom Resurs Nortgaz in which we hold an 81.8% interest. On May 7, 2013, the shareholders approved the issuance of additional shares of Nortgaz. As we chose not to participate in the issuance, OOO Gazprom Resurs Nortgaz's stake in Nortgaz decreased from 51% to 50% following state registration of the issuance in July 2013. Nortgaz holds a license for the development of the neocomian layers of the Severo-Urengoyskoye field. In 2012, 2011 and 2010, Nortgaz produced 4.2 bcm, 3.7 bcm and 3.0 bcm of natural gas and 0.50 million tons, 0.46 million tons and 0.40 million tons of liquid hydrocarbons, respectively.

Associated companies and development of associated projects in FSU and Europe and Other Countries

Bolivia. In August 2013, we and Total signed a service contract with YPFB for the development of the Azero field. Pursuant to the contract, we and Total are expected to engage in drilling two exploration wells. If hydrocarbon deposits are discovered, the parties intend to form a joint venture for the development of the field in which YPFB, Gazprom and Total are expected to hold 55%, 22.5% and 22.5%, respectively.

Cuba. In October 2010, Gazprom Neft entered into an agreement with Petronas relating to the assignment of a 30% participation interest in a production sharing agreement in respect of four deep-water blocks on the shelf of Cuba to Gazprom Neft. In July 2011, Gazprom Neft entered into a production sharing contract with Petronas and CUPET (Cubapetroleo) and a joint operating agreement with Petronas in respect of this participation interest. In August 2013, following Petronas' exit from the project, Gazprom Neft decided to discontinue the exploration of the blocks and sent a termination notice to Petronas and CUPET. The project is expected to be terminated in September 2013.

Presentation of Certain Information – Exchange Rates

The table below sets out, for the periods and dates indicated, certain information regarding the exchange rate between the ruble and the U.S. dollar, based on the official exchange rate quoted by the CBR. Fluctuations in the exchange rates between the ruble and the U.S. dollar in the past are not necessarily indicative of fluctuations that may occur in the future.

	High	Low	Average[1]	Period End
2013 (through September 13, 2013)	33.47	29.93	31.65	32.67

Source: The CBR.

Note:

(1) The average of the exchange rates on the last business day of each month for the relevant annual period, and on each business day for any other period.

Litigation and Investigations

We are from time to time the subject of legal proceedings and other investigations in the ordinary course of our business. Except as disclosed below, neither Gazprom nor any of its subsidiaries has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Gazprom is aware) during the twelve months preceding the date of this Base Prospectus Supplement which may have or have had in the recent past significant effects on the financial position or profitability of the Gazprom Group.

In 2008, Moncrief Oil International, Inc. ("Moncrief") filed a lawsuit against Gazprom and other defendants in the District Court of Tarrant County, Texas U.S.A. alleging that defendants (i) tortiously interfered with an existing business agreement between Moncrief and Occidental Petroleum Corporation, (ii) misappropriated Moncrief's confidential trade secrets related to the re-gasification of liquid natural gas, and (iii) were involved in an unlawful conspiracy to commit the foregoing acts. Moncrief estimated its damages at "hundreds of millions of dollars" without specifying the exact amount. Gazprom and other defendants filed a special appearance to object to the Court's personal jurisdiction over defendants. Gazprom also moved to transfer the case to the District Court of Harris County (Houston), Texas. In September 2009, the District Court of Tarrant County granted the defendants' motion to dismiss due to lack of jurisdiction. Moncrief's appeal against this decision was dismissed and its petition to rehear the appeal *en banc* was denied. In April 2011, Moncrief filed a petition for review in the Supreme Court of Texas. After an oral hearing on August 30, 2013, the Supreme Court of Texas affirmed the ruling of the court of appeals with respect to lack of specific jurisdiction over Gazprom and Gazprom Export as regards tortious interference with an existing business agreement between Moncrief and Occidental Petroleum Corporation but remanded the trade secrets claim to the trial court for further proceedings.

In August 2010, Gazprom Export initiated arbitration proceedings before the ICC International Court of Arbitration in Paris (the seat of the arbitration is Vienna, Austria) against RWE Transgas (subsequently renamed RWE Supply & Trading CZ) for the failure by RWE Transgas to fulfill its "take-or-pay" obligations. In October 2012, the arbitral tribunal upheld the validity of a provision of the gas supply contract between Gazprom Export and RWE Transgas allowing a Czech arm of RWE Transgas to reduce its "take-or-pay" obligations by the volume of gas that the Gazprom Group intends to supply to the Czech Republic directly. In addition, the arbitral tribunal invalidated a clause in the gas supply contract providing for Gazprom Export's right to increase the "take-or-pay" obligations of RWE Transgas by the volume of gas that RWE Transgas exports from the Czech Republic to the markets where we operate. In January 2013, Gazprom Export filed a petition to the Commercial Court of Austria to set aside the arbitral award as contrary to public policy, particularly the antimonopoly laws of Austria and the European Union. In June 2013, the Vienna Commercial Court denied Gazprom Export's petition to set aside the arbitral award. We are currently preparing an appeal of the Vienna Commercial Court's decision to the Supreme Land Court of Vienna.

In December 2010, RWE Transgas (subsequently renamed RWE Supply & Trading CZ) filed a claim in the ICC International Court of Arbitration in Paris (the seat of the arbitration is Vienna, Austria) against Gazprom Export, demanding a review of long-term contract prices. Hearings in the case were held in Vienna in October and December 2012. In June 2013, the tribunal partially granted RWE Transgas' request for purchase price adjustments under its long-term gas supply contract, while dismissing other significant requests made by RWE Transgas. The tribunal adjusted the purchase price formula of the contract by introducing a spot gas market component, which according to the tribunal reflected the relevant conditions in the gas market in May 2010. The tribunal also awarded RWE Transgas a partial reimbursement for payments made since May 2010, which we have determined to amount to approximately U.S.$1.5 billion.

In February 2011, Erdgas Import Salzburg GmbH brought a claim against GWH Gashandel GmbH in the International Arbitration Centre of the Austrian Federal Economic Chamber (Vienna, Austria) seeking a review of long-term contract prices. The parties settled the claim on October 1, 2012 and terminated the arbitral proceedings on November 15, 2012.

In July 2011, E.ON Ruhrgas filed a claim in an *ad hoc* international arbitral tribunal (with the venue of the proceedings being in Stockholm, Sweden) against Gazprom Export demanding a revision of long-term contract prices. In July 2012, we signed an agreement relating to the settlement of our dispute with E.ON Ruhrgas. The settlement represents a compromise solution and includes a retroactive contract price revision for the period since the fourth quarter of 2010. The arbitration has been terminated.

In August 2011, we submitted a request for arbitration to the ICC Arbitration in Stockholm against the Ministry of Energy of Lithuania, acting on behalf of the Republic of Lithuania. We believe that a claim brought by the Ministry of Energy of Lithuania in spring 2011 in the Vilnius District Court violated the shareholders' agreement in respect of Lietuvos Dujos, and that the Vilnius District Court did not have jurisdiction to resolve disputes between the shareholders. The claim before the Vilnius District Court sought to investigate operations of Lietuvos Dujos, a joint venture of Gazprom, E.ON Ruhrgas and the Government of Lithuania, and to remove three members of the governing body from their posts, two of which represented Gazprom as shareholder. We are seeking to stay the proceedings in the Vilnius District Court and to recover damages. In July 2012, the arbitral tribunal upheld most of our claims and declared that initiation and prosecution of the proceedings in the Vilnius District Court by the Ministry of Energy of Lithuania against Lietuvos Dujos and its senior management was partially in breach of the arbitration clause contained in the shareholders' agreement. The arbitral tribunal found that the shareholders' agreement governs the procedure for the negotiation of agreements to be entered into between Lietuvos Dujos and Gazprom, and that the Ministry of Energy of Lithuania cannot resort to state courts to order Lietuvos Dujos to renegotiate the terms that it previously agreed upon with Gazprom regarding the purchase and transit of natural gas. The arbitral tribunal ordered the Ministry of Energy of Lithuania to withdraw its key requests brought before the Vilnius District Court. Because the Ministry of Energy of Lithuania has not voluntarily complied with the award, we filed an application for recognition and enforcement of the arbitral award with the Court of Appeal of the Republic of Lithuania in August 2012. In December 2012, the Court of Appeal denied recognition and enforcement of the arbitral award. In January 2013, we filed a cassation appeal from the decision of the Court of Appeal with the Supreme Court of the Republic of Lithuania. The proceedings in the case are ongoing.

In October 2012, the Ministry of Energy of Lithuania submitted a request for arbitration to the ICC Arbitration in Stockholm against us alleging a breach of the shareholders' agreement in respect of Lietuvos Dujos on our part and demanding recovery of damages in an amount of 5 billion Lithuanian Litas. In November 2012, we submitted our answer to the request for arbitration. The panel of arbitrators was formed in May 2013. The parties are expected to agree to a procedural timetable.

In October 2011, within the framework of the third Gas Directive, the government of Lithuania adopted a resolution approving a plan of separation of operations and control over the undertakings that do not comply with the law of the Republic of Lithuania "On Natural Gas". The law provides for the separation of such operations into several companies by operating segment by October 31, 2014. Currently, we continue to discuss the application of the Third Energy Package in relation to Lietuvos Dujos and are working on the "road map" with respect to cooperation in the gas industry. We currently hold a 37% interest in Lietuvos Dujos. In March 2012, we initiated an UNCITRAL arbitration against the Lithuanian Government to protect our investments in the Republic of Lithuania. The panel of arbitrators has been formed. The seat of arbitration will be Zurich, Switzerland. We submitted our statement of claim in January 2013 and the Republic of Lithuania filed its response in July 2013. The preparation for the arbitration proceedings is currently ongoing. In May 2012, the shareholders of Lietuvos Dujos convened an extraordinary shareholders meeting and approved the principles of the separation of the operations relating to gas transmission from the distribution of gas. While we cast our vote in favor of the plan, we did so primarily to avoid adverse consequences, including the possibility of sanctions brought by the Lithuanian state authorities against Lietuvos Dujos, its management and shareholders. We have reserved our arbitration rights with respect to this issue.

In November 2011, PGNiG AG filed a claim in an *ad hoc* international arbitral tribunal (with the venue of the proceedings being in Stockholm, Sweden) against Gazprom and Gazprom Export demanding a review of their long-term contract prices. In November 2012, we came to terms with PGNiG AG with respect to the contract price and signed a supplemental agreement to the gas supply contract adjusting the pricing mechanism applied to our gas supplies to Poland. The agreed price takes into account current market prices for natural gas and oil products. The "take-or-pay" clause and a link of the contract price to prices for oil products remained unchanged. Following the agreement, the parties terminated the arbitration proceedings.

In March 2012, we submitted a request for arbitration to the ICC Court of Arbitration in Paris against the Republic of Lithuania in relation to the violation by the Republic of Lithuania of the Agreement between the Government of the Russian Federation and the Government of the Republic of Lithuania on the Promotion and Reciprocal Protection of the Investments dated June 29, 1999, to recoup losses sustained as a result of the imposition of a mandatory tariff for heat energy for our subsidiary, Kaunas Heating and Electrical Station. In March 2013, following the disposition of our interest in Kaunas Heating and Electrical Station, we withdrew from the arbitration and the case was terminated in June 2013.

On May 30, 2011, we became aware that R.E.D.I. Holdings (Cyprus) Limited ("REDI"), which held a 49% interest in Nortgaz, filed a request for arbitration against Gazprom with the LCIA. REDI alleged that Gazprom had violated its obligations under the settlement agreement in respect of Nortgaz dated June 10, 2005 and sought to recover unspecified damages. On November 28, 2012, REDI filed a request with the LCIA to withdraw its claim. The proceedings in the case were terminated by the LCIA in January 2013.

Within the framework of Council Regulation (EC) No 1/2003 of December 16, 2002 on the implementation of the rules on competition set forth in Articles 101 and 102 of the Treaty of Rome, on September 27, 2011, the EU commenced inspections at the premises of our affiliates in central and eastern Europe, in particular, GAZPROM Germania GmbH (Germany), EuroPolGas S.A. (Poland), VEMEX s.r.o (the Czech Republic), GWH Gashandel GmbH (Austria), Overgas Inc. AD (Bulgaria), Panrusgas Co. (Hungary), Latvijas Gaze JSC (Latvia), Eesti Gaas AS (Estonia), Lietuvos Dujos AB (Lithuania). In September 2012, the European Commission moved to a formal antitrust investigation into our operations in the EU. We have been notified by the European Commission that the investigation relates to alleged violations of antimonopoly laws of several European countries, in particular, allegations of segmenting the European gas market, imposing unfair prices on customers and obstructing competition. Conducting inspections or initiating a formal investigation does not imply any recognition of an antitrust offense or an accusation of the same. Moreover, we have always supported competition in the gas market and duly complied with all international laws and regulations in countries where we operate. Terms and conditions of our contractual relationships with customers are determined by international legal obligations, commercial interests and the relevant market conditions. We have always been open to dialogue with the relevant authorities of any EU member state, as well as, the European Commission. However, there can be no assurance that the conclusion of the aforementioned investigation will be favorable to us. We continue to cooperate with the European Commission with respect to the investigation. As of the date of this Base Prospectus Supplement, it is impossible to assess the potential negative impact of the investigation on our operations in Europe or on our financial position as a whole. In accordance with Russian law, our actions taken in response to certain requirements of foreign governments (including their regulatory and controlling bodies), international organizations and unions of foreign states are subject to the prior approval of the Russian Ministry of Energy of the Russian Federation. See "Overview of the Russian Gas Industry, Classification of Reserves and Certain Applicable Regulatory Matters—Russian Regulation—Foreign Investments".

Since 2008, Gazprom Export has been a plaintiff in several proceedings before the Moscow Arbitration Court, the Ninth Arbitration Appellate Court, the Federal Arbitration Court of the Moscow Region and the Supreme Arbitration Court of the Russian Federation relating to the assessment of its customs payments against the Central Energy Customs. Since 2008, we have been involved in more than 190 cases against the Central Energy Customs for the aggregate amount of RR40.0 billion. Currently, the most extensive category of cases comprises twenty six cases for the total amount of RR1.9 billion relating to the appeal of the upward adjustment of the customs value assigned by the Central Energy Customs with respect to gas supplied to EAD "Bulgartransgaz" to ensure uninterrupted transit of Russian natural gas through Bulgaria, Turkey, Greece, Serbia and Macedonia. The Moscow Arbitration Court has heard twenty six cases, the Ninth Arbitration Appellate Court ruled in twenty six cases and the Federal Arbitration Court of the Moscow Region rendered judgment in twenty four cases. In three cases, supervisory appeals were submitted to the Supreme Arbitration Court of the Russian Federation, all of which were denied submission to the Presidium of the Supreme Arbitration Court of the Russian Federation. All of these cases were decided in favor of Gazprom Export.

In June 2012, Gazprom Export filed a lawsuit with the Moscow Arbitration Court to invalidate a decision of a tax authority imposing additional profit tax obligations, fines and penalties on Gazprom Export in an amount of approximately RR4 billion. In making the contested decision, the tax authority alleged that the selling price of natural gas was not equivalent to an arm's length price. In September 2013 the Moscow Arbitration Court denied Gazprom Export's claim. Gazprom Export intends to appeal from this court decision.

In April 2013, the FAS instituted proceedings against Gazprom, OOO Gazprom komplektatsiya, OOO Gazprom remont (the "Defendants") alleging violation of Article 10.1 of the Federal Law "On Protection of Competition" No. 135-FZ (the "Competition Law") dated June 26, 2006, as amended, which consisted in taking actions that caused or may cause restriction or elimination of competition in the Russian large diameter electric-welded pipe market. The FAS also alleges that the Defendants and the OOO Severniy Evropeiskiy Trubniy Proekt group have violated Article 11.4 of the Competition Law by entering into an agreement which restricts or may restrict competition in the Russian large diameter electric-welded pipe market. We are currently producing documents requested by the FAS. At this point we are unable to assess the potential negative effects of the proceedings because the allegations brought against the Defendants are vague and have yet to be clarified by the FAS. Hearings in the case are scheduled for September 23, 2013.

In April 2013, Edison S.p.A. filed a claim with the Arbitration Institute of the Stockholm Chamber of Commerce (SCC) (with the venue of the proceedings being in Stockholm, Sweden) against Gazprom Export's subsidiary Promgas S.p.A. (Italy), demanding a revision of the long-term contract prices. The case is pending before the arbitral tribunal with hearings scheduled for June 2014. We continue our pricing negotiations with Edison S.p.A.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations beginning on page 58 of the Base Prospectus, the Unaudited consolidated interim condensed financial information included in this Base Prospectus Supplement and the Annual consolidated financial statements included in the Base Prospectus. This review includes forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in the forward-looking statements as a result of numerous factors, including the risks discussed in "Risk Factors" appearing in the Base Prospectus and the Base Prospectus Supplement.

In 2013, the Group adopted IFRS amendments and interpretations that have been effective since January 1, 2013 and which are relevant to its operations. Unless otherwise indicated, consolidated condensed statement of comprehensive income and consolidated condensed statement of cash flows data of the Group for the three months ended March 31, 2013 and 2012 and consolidated balance sheet data of the Group as of December 31, 2012 and 2011 presented in this Base Prospectus Supplement reflect these changes in IFRS, has been extracted or derived from our Unaudited consolidate interim condensed financial information and is identified as "restated" when presented in tabular form. However, the financial information of the Group for other periods presented in this Base Prospectus Supplement has been extracted or derived from the audited annual consolidated financial statements prepared before the adoption of the abovementioned standards, and thus may not be fully comparable to our Unaudited consolidated interim condensed financial information.

Overview

We are one of the world's largest oil and gas companies in terms of reserves, production and market capitalization. Our revenues are primarily derived from sales of natural gas, crude oil and other hydrocarbon products to Europe and Other Countries, Russia and other FSU (Former Soviet Union) countries.

We divide our operations into the following principal businesses:

- 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 UGSFs;
- 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 businesses primarily comprise production of other products and sales of various goods, works and services.

Our main business segments are mutually dependent, with a significant portion of the revenues of one segment comprising a part of the costs of another segment. In particular, our Distribution segment purchases natural gas from our Production of gas segment and transportation services from our Transport segment. Our Refining segment purchases gas from our Production of gas segment and crude oil and gas condensate from our Production of crude oil and gas condensate segment. We establish internal transfer prices with reference to the specific funding requirements of the individual subsidiaries within each segment. Accordingly, the results of operations of these segments on a stand-alone basis do not necessarily represent each segment's underlying financial position and results of operations as if it were a stand-alone business. For this reason, we do not analyze any of our main segments separately in the discussion that follows.

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 December 31, 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.

Impact of New Accounting Developments

In 2013 the Group adopted IFRS amendments and interpretations that have been effective since January 1, 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 new standards introduce the new model of control and treatment of joint arrangements and also new disclosure requirements.

As a result of the application of IFRS 11, 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. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures, except for its investments in OAO Tomksneft 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. The Group derecognized the investment that was previously accounted for using the equity method and recognized its share of each of the assets and the liabilities in respect of the interest in the joint operations. The change of the accounting required a retrospective restatement of the statement of comprehensive income, balance sheet and cash flows for the relevant periods.

Starting from January 1, 2013, IAS 19 "Employee Benefits" (revised) has significantly changed the recognition and measurement of defined benefit pension expense and termination benefits, and the disclosures for 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 recognized in profit or loss. As the result, unrecognized actuarial losses at January 1, 2012 in the amount of RR142,587 million (December 31, 2012: RR174,447 million) 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 month period ended March 31, 2012.

- Past-services costs are now recognized immediately though profit or loss when they occur, in the period of a plan amendment. This is resulted in unrecognized past-service costs at January 1, 2012 of RR47,124 million (RR43,216 million at December 31, 2012) 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 month period ended March 31, 2012.

- 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 asset or liability and the discount rate, measured at the beginning of the year. This resulted in a RR4,717 million decrease in operating expenses for the three month period ended March 31, 2012.

Amendments to IAS 1 "Presentation of Items of Other Comprehensive Income" ("IAS 1") introduce 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 material impact on the Group's financial position or results of operations. IFRS 13 "Fair Value Measurement" (IFRS 13) establishes 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 but requires specific disclosures of fair values, in particular for the interim condensed consolidated financial information.

See Note 4 to the unaudited interim consolidated condensed financial information as of and for the three month period ended March 31, 2013 for the effect of the change in the Group's accounting policy due to the application of IFRS 11 and IAS 19 (revised) on the consolidated balance sheet as of December 31, 2012, consolidated condensed statement of comprehensive income for the three months ended March 31, 2012 and consolidated condensed statement of cash flows for the three months ended March 31, 2012.

Certain Factors Affecting our Results of Operations

The primary factors that affect our results of operations are significant volatility in global and Russian markets which affect demand for hydrocarbons, and the price for which we can sell our natural gas, crude oil and other hydrocarbon products, both internationally and in Russia. Other factors affecting our results are:

- the impact of fluctuations in ruble exchange rates against the U.S. dollar and euro;
- our historically high tax burden;
- interest rates;
- gas transportation agreements; and
- impairment of assets.

(see "Risk Factors" for further information)

Current economic environment

Since Russia produces and exports large quantities of natural gas, crude oil and other commodities, its economy is particularly sensitive to fluctuations in world commodity prices. Following periods of substantial volatility during 2008-2009 as a consequence of the global financial crisis, these prices, particularly the price of crude oil, began to recover in the second half of 2009 and have been relatively stable during periods under review. The recovery of global commodity markets and global environment significantly contributed to Russia's economic growth in 2011 and 2012.

Whilst there have been improvements in economic trends in the country since the economic crisis in 2008-2009, the Russian Federation continues to display certain characteristics of an emerging market. These characteristics include, but are not limited to, the existence of a currency that is not freely convertible in most countries outside of the Russian Federation, relatively restrictive currency controls, and relatively high inflation. The tax, currency and customs legislation within the Russian Federation is subject to varying interpretations and changes, which can occur frequently.

We operate internationally and are consequently exposed to foreign exchange risk arising from various currency exposures, particularly with respect to the U.S. dollar and euro. We have significant foreign currency denominated receivables and borrowings.

The future economic direction of the Russian Federation is largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by the Government, together with tax, legal, regulatory, and political developments.

Export price of natural gas

Our results of operations are heavily reliant on natural gas export prices. U.S. dollar prices for the natural gas we sell in the FSU and Europe and Other Countries increased in 2012 compared to 2011 and in 2011 compared to 2010. In the three month period ended March 31, 2013 compared to the three month period ended March 31, 2012, U.S. dollar prices for our natural gas increased in Europe and Other Countries but decreased in the FSU.

Our natural gas export prices to Europe and Other Countries are indexed mainly to oil product prices as stipulated in our long-term contracts and, therefore, fluctuate based on world oil prices. Due to the formulas underlying our long-term contracts, our prices are not as volatile on a short-term basis as spot crude oil prices and tend to lag upward and downward movements in oil product prices by approximately six to nine months. The Gas Directives established common rules for the transmission, distribution, supply and storage of natural gas in the European market and influenced European market structures and the overall level and volatility of prices.

Natural gas export prices for sales to FSU countries are mainly based on one-year fixed price contracts. Average natural gas export prices to FSU countries are usually below the level of those for Europe and Other Countries. This is partly due to lower transportation costs but is principally due to the impact of intergovernmental agreements, which effectively limit the prices we can charge to FSU countries.

Weather is another factor affecting demand for and, therefore, the price of natural gas. Changes in weather conditions from year to year can influence demand for natural gas and, to some extent, gas condensate and oil products.

The following table shows our average natural gas export prices to Europe and Other Countries and FSU countries for the periods indicated (including customs duties and net of VAT):

	For the three month period ended March 31,		For the year ended December 31,		
	2013	2012	2012	2011	2010
	(Including custom duties, net of VAT)				
Our natural gas export price to Europe and Other Countries (average realized U.S.$ per mcm)[1,3]	390,0	383,8	385,1	383,0	301,8
Our natural gas export price to Europe and Other Countries (average realized U.S.$ per mcf)[1,2,3]	11,0	10,9	10,9	10,8	8,5
Our natural gas export price to Europe and Other Countries (average nominal RR per mcm)[3]	11 862,8	11 525,7	11 969,8	11 259,1	9 166,6
Our natural gas export price to FSU countries (average realized U.S.$ per mcm)[1]	265,2	287,5	305,3	289,5	231,7
Our natural gas export price to FSU countries (average realized U.S.$ per mcf)[1,2]	7,5	8,1	8,6	8,2	6,6
Our natural gas export price to FSU countries (average nominal RR per mcm)	8 066,0	8 633,4	9 489,5	8 509,3	7 039,0

Notes:

(1) Average nominal prices and not convenience translations of ruble prices.

(2) One mcm is equivalent to 35.316 thousand cubic feet.

(3) Export prices exclude impact of retroactive price adjustments.

Our business requires significant ongoing capital expenditures in order to maintain natural gas production levels and transportation systems. An extended period of low gas prices would limit our ability to maintain an adequate level of capital expenditures, which in turn could limit our ability to sustain current levels of production and deliveries of gas, thereby adversely affecting our results.

Regulation of domestic natural gas prices and transportation tariffs

Natural gas prices and transportation tariffs in Russia are regulated by the Government. See "Gazprom—Overview—Relationship with the Government."

Natural gas prices in Russia have remained significantly below export prices (even after netting back export tariffs and transportation costs) primarily due to governmental regulations. Since 2000, however, domestic natural gas prices have increased at a rate greater than inflation. For example, in the period from January 1, 2002 to December 31, 2011 annual weighted average regulated wholesale gas prices increased by approximately 492%, while cumulative inflation in the same period was approximately 177% (according to the Federal State Statistics Service, source: www.gks.ru).

The following table shows our average domestic natural gas prices (net of VAT) for the periods indicated:

	For the three months ended March 31,		For the year ended December 31,		
	2013	2012	2012	2011	2010
			(net of VAT)		
Our domestic natural gas price (average nominal RR per mcm)	3,104.5	2,701.3	2,871.4	2,631.7	2,296.8
Our domestic natural gas price (average nominal RR per mcf)[1]	87.9	76.5	81.3	74.5	65.0
Our domestic natural gas price (average U.S.$ per mcm)[2]	102.1	90.0	92.4	89.5	75.6
Our domestic natural gas price (average U.S.$ per mcf)[1,2]	2.9	2.5	2.6	2.5	2.1

Notes:

(1) One mcm is equivalent to 35.316 thousand cubic feet.

(2) Average nominal prices and not convenience translations of ruble prices.

Since 2011, the increase of domestic prices has been regulated by Resolution No. 1205. See "Gazprom—Distribution—Europe and Other Countries—Russia—Domestic market conditions" in the Base Prospectus.

During the three months ended March 31, 2013 and 2012 and years ended December 31, 2012, 2011 and 2010 our sales revenues derived from gas transportation services for third parties were 3%, 3%, 3%, 2%, 3% of total sales (net of VAT) for each of these periods.

Price of crude oil

Our net sales of crude oil for the three month periods ended March 31, 2013 and 2012 and for the years ended December 31, 2012, 2011 and 2010 were RR42,815 million, RR51,645 million, RR234,217 million, RR189,945 million and RR169,193 million, respectively. This represents approximately 3%, 4%, 5%, 4% and 5% of our net sales for such periods. Our operations are affected by the prevailing price of crude oil, both in domestic and international oil markets. Crude oil prices have historically been highly volatile, dependent upon the balance between supply and demand, global and regional economic and political developments in resource-producing regions, particularly in the Middle East, global economic conditions and production levels of OPEC. In 2010 and 2011, the economic recovery after the global financial downturn in 2008 and 2009 resulted in a worldwide increase in global demand for, and therefore the price of, oil, which (for Brent crude benchmark) averaged approximately U.S.$80.3, U.S.$110.9, U.S.$111.7 and U.S.$112.6 during 2010, 2011, 2012 and the three months ended March 31, 2013. Crude oil prices in the Russian

Federation have historically been lower than in the international market primarily due to additional costs (in particular, customs duties) associated with exporting crude oil. Domestic crude oil prices are contract specific as there is no active market for domestic crude oil and market prices are not available.

Price of electricity and heat energy

Our electric and heat energy sales, which significantly increased after the expanding of the electricity resale activity of Gazprom Germania Group and the acquisition of TGK-1 in the fourth quarter 2009, for the three month periods ended March 31, 2013 and 2012 and for the years ended December 31, 2012, 2011 and 2010 were RR106,851 million, RR111,601 million, RR343,509 million, RR344,551 million and RR288,655 million, respectively. This represents approximately 7%, 9%, 7%, 7% and 8% of our net sales for such years. Our operations are affected by applicable electricity tariffs, which are set by the FTS and market (not regulated) prices of and demand for electricity.

Impact of inflation and changes in exchange rates on export sales and operating margins

For the three months ended March 31, 2013 and 2012 and for the years ended December 31, 2012, 2011 and 2010, 59%, 59%, 62%, 60% and 59% of our gross sales (including customs duties, net of VAT), respectively, were mainly denominated in U.S. dollars or euros, while most of our costs were denominated in rubles. The relative movements of inflation and exchange rates therefore significantly affect our results of operations. In particular, our operating margins are generally adversely affected by appreciation of the ruble against the U.S. dollar or euro, because this will generally cause our costs to increase relative to our sales revenues. The pressure on operating margins arising from ruble appreciation is further intensified by the relatively high inflation rate in Russia, which can further increase our costs, though this can be offset by domestic price rises when permitted by the FTS. Conversely, our operating margins are generally positively affected by depreciation of the ruble against the U.S. dollar or euro, because this will generally cause our costs to decrease relative to our sales revenues. However, an appreciation of the U.S. dollar or euro against the ruble also potentially increases the cost of servicing our indebtedness denominated in these currencies.

The following table sets forth the rates of inflation in Russia, the rates of nominal and real appreciation or depreciation of the ruble against the U.S. dollar and euro as determined by the CBR for the periods shown:

	For the three months ended March 31,		**For the year ended December 31,**		
	2013	**2012**	**2011**	**2010**	**2009**
Inflation[(1)(2)]	1.9%	1.5%	6.6%	6.1%	6.8%
Nominal appreciation (depreciation) of the RR against the U.S.$	(2.3)%	8.9%	5.7%	(5.6)%	(0.8)%
Real appreciation (depreciation)of the RR against the U.S.$	(0.4)%	11.4%	13.0%	0.4%	7.9%
Nominal appreciation (depreciation) of the RR against euro	1.1%	6.0%	3.5%	(3.3)%	7.0%
Real appreciation (depreciation) of the RR against euro	3.0%	7.9%	10.4%	2.7%	17.0%

Notes:

(1) Inflation based on consumer price index (CPI).

(2) Source: Russian Federal State Statistics Service (source: www.gks.ru).

The official ruble to U.S. dollar exchange rates as determined by the CBR increased from 31.08 to 32.67 in the period from March 31, 2013 to September 13, 2013 (being the latest practicable date prior to the publication of this Base Prospectus Supplement). The official ruble to euro exchange rates as determined by the CBR increased from 39.80 to 43.47 in the period from March 31, 2013 to September 13, 2013 (being the latest practicable date prior to the publication of this Base Prospectus Supplement).

Nominal appreciation (depreciation) of the ruble generally also results in foreign exchange losses (gains) on monetary assets denominated in foreign currencies and foreign exchange gains (losses) on monetary liabilities denominated in foreign currencies. These gains and losses are recorded on a gross basis. *See* - "Finance income and expenses."

Our historically high tax burden

We provide one of the largest sources of tax revenue to the federal authorities in Russia, as well as to the regional and local authorities in those regions and localities in which we operate.

Given the relative size of our activities in Russia, our tax burden is largely determined by the level of taxes payable in Russia.

We are subject to a number of taxes and similar compulsory payments in Russia, including:

- profit tax (the maximum profit tax rate was 20% in 2010, 2011 and 2012). A depreciation premium of 30% (10% in respect of certain types of property) was applied in respect of certain types of fixed assets (initially 10% of the amount of capital investment in all types of assets, and increasing to 30% in 2009 for certain types of fixed assets). For certain production facilities operating in the aggressive environment (mainly gas pipelines and wells) an accelerated depreciation coefficient of 2 was applied;

- excise tax for certain oil products (effective from January 1, 2007, the excise tax for such oil products is paid by the producer of the oil products in the processing scheme);

- VAT (at a standard rate of 18% is payable on the difference between output VAT on sales of goods, works, services and property rights and recoverable input VAT charged by suppliers. Output VAT has been charged on the earliest of: either the date of the shipment of goods, works, services and property rights, or the date of advance payment by the buyer. Input VAT has been generally recoverable when purchases are accounted for and other conditions are met. Exports of goods and sales of certain services related to exported goods are subject to a 0% VAT rate upon the submission of confirmation documents to the tax authorities. Input VAT related to export sales is recoverable. A limited list of goods and services are not subject to VAT. Input VAT related to non-VATable goods and services should not be recovered and should be included in the value of purchased goods and services, except in certain cases);

- natural resources production tax (the natural resources production tax rate for natural gas was fixed at the rate of RR582 per mcm in the first quarter 2013 compared to RR509 per mcm in 2012. The natural resources production tax rate for oil was equal to the statutory determined rate of RR470 (RR446 in 2012) per ton multiplied by the oil price ratio, which varied between 10.8 and 11.5 in the first quarter 2013, between 9.9 and 12.2 in 2012, between 9.1 and 11.4 in 2011 and between 7.0 and 8.8 in 2010, and multiplied by the rate of field depletion, which, if applied, reduces the tax payable. Effective from January 1, 2009, the method of oil price ratio calculation was amended leading, in general, to the decrease in the natural resources production tax rate. The natural resources production tax rate also depends on the geographic location of the oil field. In particular, extraction of oil from the fields located in the Republic of Sakha, Irkutsk and Krasnoyarsk Regions (and effective from January 1, 2009, in the Polar Territories and the Caspian Sea) is subject to 0% tax rate for the natural resources production tax); See "Risk factors—We bear a substantial tax burden" in the Base Prospectus.

- export customs duty on natural gas (customs duty rate is 30%);

- export customs duty on crude oil is currently reviewed by the Government once a month based on the average price of Urals blend. The average Urals crude oil blend price is calculated as the price for Urals blend on world markets (Mediterranean and Rotterdam) for the month immediately preceding the month of calculation. The average amount of export customs duty on crude oil in the first quarter of 2013 and in the years of 2012, 2011 and 2010 was approximately U.S.$407, U.S.$404, U.S.$409 and U.S.$269 per ton, respectively);

- property tax (the maximum property tax rate is 2.2%). The property tax is calculated based on the annual value of the fixed assets, part of the fixed assets for the property tax purposes are taxed at a reduced rate of 0.4 % in 2013 (primarily pipelines, electric power lines and other facilities forming an integral part of these assets); and

- social taxes and contributions (Effective from January 1, 2010 social contributions have been calculated as a production of the gross salary and other remuneration of an employee and the rate of 26% in 2010, 34% from January 1, 2011 and 30% from January 1, 2012. According to the Russian Tax Code the portion of employee's salary and other remuneration exceeding RR415,000 per year starting from January 1, 2010, and RR463,000 per year starting from January 1, 2011 were not subject to the social contributions. From January 1, 2013, employee's salary and other remuneration are subject to an additional 10% contribution to the Pension Fund of the Russian Federation in the portion exceeding RR568,000 per year (RR512,000 in 2012).

Our overall effective profit tax rates (current and deferred profit tax expense as a percentage of the profit before profit tax) for the years ended December 31, 2012, 2011 and 2010 were 19.9%, 20.1% and 21.6%, respectively, while the statutory income tax rate in Russia was 20% since January 1, 2009. The difference between our effective profit tax rates and the statutory rates has been primarily the result of non-deductible expenses, such as social expenses, charitable donations, expenses exceeding prescribed limits for certain deductions and other non-production costs.

Starting January 1, 2012, significant changes in the tax transfer pricing law were introduced in Russia that have impacted all Russian businesses, including the Group. Also, starting January 1, 2012, tax legislation was amended to provide new rules on the creation of consolidated taxpayers' groups. Taxpayers may create such a tax group, in order to pay profit tax on a consolidated basis by submitting an agreement to create a consolidated taxpayers' group to the tax authorities. Transactions among the members of a consolidated tax group are not subject to tax transfer pricing control. On January 1, 2012 we created a consolidated taxpayers group which consisted in 2012 of 56 Russian organizations. From January 1, 2013 our consolidated taxpayers group has been composed of 65 Russian organizations.

Interest rates

We have significant short-term and long-term debt obligations with both fixed and variable interest rates. We are exposed to the effects of fluctuations in the prevailing levels of market interest rates on our financial position, results of operations and cash flows. Interest rate risk is measured by the extent to which changes in market interest rates impact margins and net income. To the extent the term structure of interest bearing assets differs from that of liabilities, net interest expense will increase or decrease as a result of movements in interest rates. We do not have any significant hedging arrangements to mitigate interest rate risks resulting from our financing activities. See "Liquidity and Capital Resources—Debt obligations."

Gas transportation agreements

We are dependent on the countries through which we transport our gas. In some cases, the contracts are made with gas companies and the terms are agreed on the Government level. Potential gas transportation disputes may impact our ability to deliver gas and our revenues.

Impairment provisions

Historically, our results have been affected by impairment provisions on accounts receivable, inventory, property, plant and equipment (including assets under construction), financial assets, other long-term assets and provisions for guarantees and other charges.

For the three month period ended March 31, 2013 and 2012 and the years ended December 31, 2011 and 2010, expenses net of release for such impairment provisions amounted to RR13,314 million, RR9,123 million RR40,857 million and RR48,711 million, respectively. For the year ended December 31, 2012, release of such impairment provisions amounted to RR3,208 million. The release of impairment provision in 2012 consisted primarily of an impairment provision related to property, plant and equipment in the amount of RR49,934 million mainly in respect of the Bovanenkovskoye and Kharasaveyskoye fields and the

Obskaya-Bovanenkovo railroad, partly offset by the impairment charge for provision relating to accounts receivable.

Our provisions for accounts receivable are significant. As of March 31, 2013, December 31, 2012, 2011 and 2010 the aggregate balance sheet provision for accounts receivable and prepayments were RR299,390 million, RR286,776 million, RR244,297 million and RR197,949 million, or 16%, 17%, 16% and 14%, respectively, of the gross receivables and prepayments balance, respectively. Such provisions for accounts receivable relate mainly to receivables for natural gas sold to Moldova, former Yugoslavian countries and in respect of the Chechen Republic and other southern regions of Russia. The increases in provisions by RR46,348 million and RR42,479 million as of December 31, 2011 and 2012, respectively, compared to the same date in preceding years, were primarily due to increases in impairment provisions on continued sales related to debtors from the countries and Russian regions mentioned above.

Our provisions for property, plant and equipment are also significant. As of March 31, 2013, December 31, 2012, 2011 and 2010 the aggregate balance sheet provision related to property, plant and equipment were RR97,625 million, RR97,425 million, RR147,925 million and RR150,533 million, or 1.2%, 1.2%, 2.2% and 2.7% of gross property, plant and equipment, respectively. Of this aggregate balance sheet provision, RR43,578 million as of March 31, 2013 relates to assets under construction, representing 2.5% of gross assets under construction. The impairment provision for assets under construction as of March 31, 2013 primarily relates to RR33,144 million for the OOO Novourengoysky GCC. Upon completion of the first phase of infrastructure development and commencement of operations of the Bovanenkovskoye field, the previously created impairment provision for assets under construction related to the Bovanenkovskoye and Kharasaveyskoye fields and the Obskaya-Bovanenkovo railroad, which amounted to RR47,574 million, was reversed as of December 31, 2012.

For the three month period ended March 31, 2013 and for the year ended December 31, 2010 the charge for impairment provision for property, plant and equipment (including assets under construction) generated expense totaled RR247 million, RR621 million and for the years ended December 31, 2012 and 2011, the release of impairment provision totaled RR49,934 million and RR512 million, respectively.

Because of our operating cycle, certain significant decisions about capital construction projects are made at the end of our fiscal year. Accordingly, we typically have larger charges (releases) in the fourth quarter of our fiscal year as compared to other quarters. For a discussion of our impairment provisions in the three month periods ended March 31, 2013 versus three month period ended March 31, 2012 see "—Results of Operations" below and in the years ended December 31, 2012, 2011 and 2010, see "Management's discussion and analysis of financial condition and results of operations — Results of Operations—period ended December 31, 2012 versus 2011" and "Management's discussion and analysis of financial condition and results of operations — Results of Operations—Year ended December 31, 2011 versus year ended December 31, 2010" in the Base Prospectus.

Certain Acquisitions, Dispositions and Changes in Control

Acquisitions and dispositions to March 31, 2013

Unless specified otherwise, all acquisitions referred to in this section have been completed.

During the period from June 2007 to December 2011 as a result of series of transactions, we acquired a 100% interest in, and obtained control of, OAO Gazprom transgaz Belarus, formerly known as OAO Beltransgaz ("Gazprom transgaz Belarus"), for a cash consideration of U.S.$5,000 million.

In February 2008, a special-purpose company, Shtokman Development AG, was established to manage engineering, financing, construction and exploitation of installations during the first phase of the development of the Shtokmanovskoye field. Our initial stake in Shtokman Development AG was 51% with Total and Statoil ASA ("Statoil") holding the remaining 25% and 24% interests, respectively. In July 2012, Statoil signed an agreement to transfer its interest in Shtokman Development AG to Gazprom pursuant to the agreements between the shareholders of Shtokman Development AG. As a result our interest in Shtokman Development AG increased up to 75%. We account for Shtokman Development AG as our joint venture because the shareholders agreement provides us only with joint control. The shareholders' equity of the company equaled RR42,786 million (U.S.$1,409 million) as of December 31, 2012.

In July 2008, as a result of the restructuring of RAO UES, we exchanged our shares in RAO UES for interests in certain companies, including an additional 44.4% interest in OGK-2 and an additional 42.9% interest in OGK-6. As a result we obtained control over OGK-2 and OGK-6 with ownership interests amounting to 57.57% and 60.22%, respectively. In November 2011, we consolidated all assets and liabilities of OGK-6 in OGK-2 and dissolved OGK-6.

In April 2010, respective shareholders of ZAO Gazenergoprombank, our banking subsidiary at that time, and OAO AB Rossiya, a bank not related to us, approved a merger of the two entities. According to the merger agreement, all assets and liabilities of ZAO Gazenergoprombank were transferred to OAO AB Rossiya. In exchange for the controlling interest in ZAO Gazenergoprombank, we received a non-controlling interest in OAO AB Rossiya and ceased to control the financial and operating policies of ZAO Gazenergoprombank from April 2010. As a result, ZAO Gazenergoprombank and its subsidiaries were deconsolidated from our financial statements as of June 30, 2010 and our investment in OAO AB Rossiya was recognized at a fair value of RR8,514 million.

From December 2008 through December 2012, we acquired 97.84% of the shares of OAO Gazprom neftekhim Salavat (formerly OAO Salavatnefteorgsyntez), a leading Russian oil refining and petrochemical company, for RR68,743 million. We obtained control over OAO Gazprom neftekhim Salavat in May 2012.

In December 2008, we acquired a 75% interest in AKB Soyuz (OAO), a Russian bank, for a cash consideration of RR1 million. This transaction provided us with effective control over AKB Soyuz (OAO) as of April 2009. In the first quarter of 2010 AKB Soyuz (OAO) was deconsolidated as a result of a disposal of our controlling interest to a third party.

On February 3, 2009, Gazprom Neft acquired a 51% interest in Naftna Industrija Srbije ("NIS") for RR18.5 billion. Pursuant to the purchase agreement, Gazprom Neft undertook to invest euro 547 million (approximately RR24.6 billion as of the acquisition date) to rebuild and upgrade NIS's refining facilities by 2012. In March 2011, Gazprom Neft acquired an additional 5.15% interest in NIS for U.S.$58 million. As of December 31, 2012, Gazprom Neft's interest in NIS was 56.15%.

Between April 2009 and February 2011, Gazprom Neft acquired a 100% interest in Sibir Energy Ltd. ("Sibir Energy") for U.S.$3.2 billion (approximately RR90 billion). We have consolidated Sibir Energy as a subsidiary starting from June 23, 2009. As a result of the acquisition of Sibir Energy, Gazprom Neft also obtained control over OAO Moskovsky NPZ ("Moscow Oil Refinery"), having increased its cumulative share in Moscow Oil Refinery to 77.72%. Acquisition of Sibir Energy also resulted in the acquisition of a 50% interest in SPD.

On February 14, 2011, the Board of Directors of Sibir Energy adopted a resolution to reduce its share capital by 86.25 million shares (22.39%), which allowed OAO Central Fuel Company, an affiliate to the Moscow government, to dispose of its interest in Sibir Energy for U.S.$740 million. As a result of the transaction, starting from February 15, 2011, we have held a 100% interest in Sibir Energy. Following the reduction in share capital of Sibir Energy we have increased its effective interest in OAO Gazpromneft-MNPZ (formerly, Moscow Oil Refinery) from 66.04% to 74.36%.

In September 2009, we acquired a 51% interest in OOO SeverEnergiya ("SeverEnergia") for U.S.$1.6 billion (approximately RR47 billion). In November 2010, as a result of the sale of our 51% interest in SeverEnergia to OOO Yamal razvitie, a joint venture between Gazprom Neft and Novatek, our share in SeverEnergia was reduced to 25.5% and is now treated as "Investments in associated undertakings and jointly controlled entities" in our balance sheet.

In December 2010, we sold a 9.4% interest in Novatek to an unaffiliated third party with total carrying value of RR84,978 million as of the date of sale for RR57,462 million. As a result of this transaction we ceased to exercise significant influence over the business activities of Novatek. The remaining 9.99% interest was classified as a long-term available-for-sale financial asset and was recognized at a fair value of RR104,484 million at the date of disposal. In the consolidated statement of comprehensive income for the year ended December 31, 2010 we recognized a gain of RR77,375 million representing the difference between the fair value of the remaining 9.99% interest as of the date of the transaction, cash proceeds from the disposal of a 9.4% interest and accumulated net gain previously recognized in other comprehensive income in relation to this associated undertaking, and the carrying value of a 19.39% interest as of the date of the transaction.

In March 2011, we acquired a property complex of OAO Rusia Petroleum for RR25,796 million. The property complex also included a 100% interest in OOO Kovyktaneftegaz, which owns property located within Khandinsky license area. The transaction allowed us to acquire the license for the Kovykta field.

In February 2012, we purchased 375,000 out of 4,534,500 ordinary shares of OAO Gazprombank (Open Joint-stock Company), formerly known as AB Gazprombank (ZAO) ("GPB"), in the course of an additional share issuance. The remainder of the shares were purchased by other shareholders of GPB and GK Vnesheconombank. As a result of this transaction, our effective share in GPB decreased from 46% as of December 31, 2011 to 38% as of December 31, 2012.

Acquisitions and dispositions after March 31, 2013

In May 2013, we acquired shares of 72 gas distribution organizations for the consideration of RR25,862 million.

In August 2013, we won an auction for the acquisition of an 89.98% interest in MIPC and heat assets currently leased by MIPC from the Moscow Government for the cash consideration of RR98,620 million, excluding VAT.

Results of Operations

The following table summarises our consolidated results of operations for the periods indicated. Each line-item is also shown as a percentage of our total sales.

	For the three month period ended March, 31				**For the year ended December 31,**					
	2013		**2012 (Restated)**		**2012**		**2011**		**2010**	
	RR million	**% of sales**	**RR million**	**% of sales**	**RR million**	**% of sales**	**RR million**	**% of sales**	**RR million**	**% of sales**
Sales	1,461,441	100%	1,225,278	100%	4,764,411	100%	4,637,090	100%	3,597,054	100%
Net (loss)/ gain from trading activity	4,592	0%	1,490	0%	2,821	0%	2,791	0%	6,256	0%
Operating expenses	(936,738)	(64%)	(908,452)	(74%)	(3,481,264)	(73%)	(2,942,181)	(63%)	(2,440,777)	(68%)
Impairment provisions and other provisions	(13,314)	(1%)	(9,123)	(1%)	3,208	0%	(40,857)	(1%)	(48,711)	(1%)
Operating profit	**515,981**	**35%**	**309,193**	**25%**	**1,289,176**	**27%**	**1,656,843**	**36%**	**1,113,822**	**31%**
Gain from disposal of OAO Novatek	–	–	–	–	–	–	–	–	77,375	2%
Net finance income (expense)	(23,926)	(2%)	109,395	9%	60,733	1%	(77,335)	(2%)	2,694	0%
Share of net (loss) income of associated undertakings and joint ventures	(2,158)	0%	42,983	4%	161,500	3%	99,049	2%	76,520	2%
Gains (losses) on disposal of available-for-sale financial assets	22	0%	(200)	0%	546	0%	1,379	0%	3,292	0%
Profit before profit tax	**489,919**	**34%**	**461,371**	**38%**	**1,511,955**	**32%**	**1,679,936**	**36%**	**1,273,703**	**35%**
Current profit tax expense	(6,705)	0%	(102,682)	(8%)	(276,045)	(6%)	(279,216)	(6%)	(249,387)	(7%)
Deferred profit tax (expense) benefit	(95,062)	(7%)	12,488	1%	(25,344)	(1%)	(58,278)	(1%)	(26,323)	(1%)
Profit tax expense	(101,767)	(7%)	(90,194)	(7%)	(301,389)	(6%)	(337,494)	(7%)	(275,710)	(8%)

Profit for the period	**388,152**	**27%**	**371,177**	30%	**1,210,566**	**25%**	**1,342,442**	**29%**	**997,993**	**28%**
Profit attributable to:										
owners of OAO Gazprom	380,665	26%	61,403	29%	1,182,625	25%	1,307,018	28%	968,557	27%
non-controlling interest	7,487	1%	9,774	1%	27,941	1%	35,424	1%	29,436	1%

Three month period ended March 31, 2013 versus three month period ended March 31, 2012

Sales

The following table summarizes our sales information for our operating segments for the three month periods ended March 31, 2013 and 2012:

	Three month period ended March 31,	
	2013	**2012 (Restated)**
	RR million	
Gas sales gross of custom duties to customers in:		
Russian Federation	280,298	269,070
Former Soviet Union (excluding Russian Federation)	146,605	172,365
Europe and Other Countries	529,551	492,302
Customs duties	(134,646)	(133,742)
Effect of retroactive gas price adjustments[1]	82,011	(78,505)
Sales of gas	903,819	721,490
Sales of refined products to customers in:		
Russian Federation	180,523	159,137
Former Soviet Union (excluding Russian Federation)	18,053	13,729
Europe and Other Countries	120,602	83,105
Total sales of refined products	319,178	255,971
Sales of crude oil and gas condensate to customers in:		
Russian Federation	7,762	13,817
Former Soviet Union (excluding Russian Federation)	13,208	9,867
Europe and Other Countries	31,310	41,967
Sales of crude oil and gas condensate	52,280	65,651
Electric and heat energy sales:		
Russian Federation	103,402	106,168
Former Soviet Union (excluding Russian Federation)	522	2,455
Europe and Other Countries	2,927	2,978
Total electric and heat energy sales	106,851	111,601
Gas transportation sales:		
Russian Federation	40,852	31,508
Former Soviet Union (excluding Russian Federation)	380	551
Total gas transportation sales	41,232	32,059
Other revenues:		
Russian Federation	31,927	31,851
Former Soviet Union (excluding Russian Federation)	993	798
Europe and Other Countries	5,161	5,858
Total other revenues	38,081	38,506
Total sales	**1,461,441**	**1,225,278**

Notes:

(1) 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 profits 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 months ended March 31, 2013 was a credit of RR73,430 reflecting a decrease in a related accrual following estimates made and agreements reached prior to the issuance of the first quarter 2013 financial information.

The following table sets out our volumes and realized prices for the three month periods ended March 31, 2013 and 2012.

	Three month period ended March 31,	
	2013	**2012 (Restated)**
	RR million unless stated otherwise	
Sales of gas		
Europe and Other Countries		
Gross sales [1]	538,132	492,302
Customs duties	(109,818)	(105,702)
Net sales	428,314	386,600
Volumes in billion cubic meters (bcm)	45.4	42.7
Gross average price, U.S.$ per mcm[2] (including customs duties)[3, 4]	390.0	383.8
Gross average price, RR per mcm[2] (including customs duties)[4]	11,862.8	11,525.7
FSU (Former Soviet Union)		
Gross sales[1]	146,605	172,365
Customs duties	(24,828)	(28,040)
Net sales	121,777	144,325
Volumes in bcm	18.2	20.0
Gross average price, U.S.$ per mcm[2] (including customs duties, net of VAT)[3]	265.2	287.5
Gross average price, RR per mcm[2] (including customs duties, net of VAT)	8,066.0	8,633.4
Russian Federation		
Gross sales (net of VAT)	280,298	269,070
Net sales	280,298	269,070
Volumes in bcm	90.3	99.6
Gross average price, RR per mcm[2] (net of VAT)	3,104.5	2,701.3
Total sales of gas		
Gross sales (net of VAT)	965,035	933,737
Customs duties	(134,646)	(133,742)
Effect of retroactive gas price adjustments	73,430	(78,505)
Net sales	903,819	721,490
Volumes in bcm	153.9	162.3
Net sales of refined products (net of excise tax, VAT and customs duties)	319,178	255,971
Net sales of electric and heat energy (net of VAT)	106,851	111,601
Net sales of crude oil and gas condensate (net of VAT and customs duties)	52,280	65,651
Gas transportation net sales (net of VAT)	41,232	32,059
Other revenues (net of VAT)	38,081	38,506
Total sales (net of excise tax, VAT and customs duties)	**1,461,441**	**1,225,278**

Notes:

(1) VAT is not charged on sales to Europe and Other Countries.

(2) One mcm is equivalent to 35,316 cubic feet.

(3) Calculated on the basis of average exchange rate between RR and U.S.$.

(4) Export prices exclude impact of retroactive price adjustments.

Total sales (net of VAT, excise tax and customs duties) increased by RR236,163 million, or 19%, to RR1,461,441 million in the three month period ended March 31, 2013 compared to the same period of the prior year.

Net sales of gas accounted for 62% and 59% of total net sales in the three month periods ended March 31, 2013 and 2012, respectively.

Net sales of gas increased from RR721,490 million in the three month period ended March 31, 2012 to RR903,819 million in the three month period ended March 31, 2013, or by 25%.

Net sales of gas to Europe and Other Countries increased by RR41,714 million, or 11%, to RR428,314 million in the three month period ended March 31, 2013 as compared to the three month period ended March 31, 2012 primarily due to increases in average prices and volumes of gas sold. The gross average ruble price (including customs duties) increased by 3%. The volume of gas sold to Europe and Other Countries in the three month period ended March 31, 2013 increased by 6% as compared to the same period of the prior year.

Retroactive gas price adjustments were recognized in the financial statements for the three months ended March 31, 2013 as an RR73,430 million increase in sales reflecting a decrease in the related accruals made prior to the publication of the financial information for the first quarter 2013.

Net sales of gas to FSU countries decreased by RR22,548 million, or 16% to RR121,777 million in the three month period ended March 31, 2013 compared to the three month period ended March 31, 2012 primarily due to a 9% decrease in volumes of gas sold to FSU countries. The gross average ruble price (including customs duties, net of VAT) decreased by 7% in the three month period ended March 31, 2013, compared to the same period of the prior year.

Net sales of gas in the Russian Federation increased by RR11,228 million, or 4%, to RR280,298 million in three month period ended March 31, 2013 compared to the same period of the prior year due to a 15% increase in the gross average domestic gas prices partly offset by a 9% decrease in volume of gas sold in the three month period ended March 31, 2013 compared to the three month period ended March 31, 2012.

Net sales of refined products (net of excise tax, VAT and customs duties) increased by RR63,207 million, or 25%, to RR319,178 million in the three month period ended March 31, 2013 in comparison with the same period of the prior year primarily due to consolidation of OAO Gazprom neftekhim Salavat's sales and an increase in volumes sold by Gazprom neft Group to customers in Europe and Other Countries. In the three month periods ended March 31, 2013 and 2012 Gazprom neft Group's sales comprised 73% and 83% of the total amount of net sales of refined products, respectively.

Net sales of electric and heat energy (net of VAT) decreased by RR4,750 million, or 4%, to 106,851 in the three month period ended March 31, 2013 compared to the same period of the prior year. The decrease is mainly caused by the decrease in OAO Mosenergo's sales as well as the changes in the scheme of payments for heat after the accession of OAO MTK to MIPC from October 1, 2012.

Net sales of crude oil and gas condensate (net of VAT and customs duties) decreased by RR13,371 million, or 20%, to RR52,280 million in the three month period ended March 31, 2013 compared to RR65,651 million in the three month period ended March 31, 2012 due to a decrease in crude oil volumes and average price to customers in Europe and Other Countries. Sales of gas condensate decreased as a result of the recognition of sales to OAO Gazprom neftekhim Salavat as intercompany sales following the consolidation of OAO Gazprom neftekhim Salavat from June 2012. Sales of crude oil included in net sales of crude oil and gas condensate (net of VAT and customs duties), amounted to RR42,815 million and RR51,645 million in the three month periods ended March 31, 2013 and 2012, respectively.

Gas transportation net sales (net of VAT) increased by RR9,173 million, or 29%, to RR41,232 million in the three month period ended March 31, 2013 from RR32,059 million in the three month period ended March 31, 2012 primarily due to an increase in transportation volumes for independent gas suppliers and an increase in gas transportation tariffs for independent suppliers.

Other revenues decreased by RR425 million, or 1%, to RR38,081 million in the three month period ended March 31, 2013 compared to RR38,506 million in the three month period ended March 31, 2012.

Operating expenses

Operating expenses increased by 4% in the three month period ended March 31, 2013 to RR958,604 million from RR917,890 million in the three month period ended March 31, 2012. Operating expenses as a percentage of sales decreased from 75% in the three month period ended March 31, 2012 to 65% in the three month period ended March 31, 2013. The table below presents a breakdown of operating expenses in each period:

	Three month periods ended March 31,	
	2013	**2012 (Restated)**
	RR million	
Purchased gas and oil	187,280	177,233
Taxes other than on income	182,816	169,976
Staff costs	119,854	93,710
Depreciation	109,873	82,607
Transit of gas, oil and refined products	86,453	82,108
Materials	52,084	23,907
Repairs and maintenance	31,445	28,135
Cost of goods for resale, including refined products	30,750	34,652
Electricity and heating expenses	23,729	19,104
Charge for impairment provisions	13,314	9,123
Social expenses	8,890	4,067
Transportation services	7,459	5,451
Losses from derivatives financial instruments in the operating activities	6,444	20,209
Rental expenses	5,874	5,562
Insurance expenses	5,385	4,811
Research and development expenses	4,714	5,250
Heat transmission	3,835	11,809
Processing services	3,507	3,491
Exchange rate differences on operating items	(5,318)	33,707
Other	43,695	47,316
	922,083	**862,228**
Changes in inventories of finished goods, work in progress and other effects	27,969	55,347
Total operating expenses	**950,052**	**917,575**

Purchased gas and oil

Cost of purchased gas and oil increased by 6% to RR187,280 million in the three month period ended March 31, 2013 from RR177,233 million in the three month period ended March 31, 2012. Cost of purchased gas increased by RR9,593 million, or 8%. This increase mainly relates to the growth in prices of gas purchased from third parties outside of the Russian Federation. The cost of purchased oil included in the cost of purchased gas and oil increased by RR454 million, or 1%, and amounted to RR50,107 million in the three month period ended March 31, 2013 in comparison with RR49,653 million in the three month period ended March 31, 2012.

Taxes other than on income

Taxes other than on income consist of:

	Three month periods ended March 31,	
	2013	2012 (Restated)
	RR million	
Natural resources production tax	131,701	126,619
Property tax	19,392	13,941
Other taxes	31,723	29,416
Taxes other than on income	**182,816**	**169,976**

The natural resources production tax increased by 4% to RR131,701 million in the three month period ended March 31, 2013 from RR126,619 million in the three month period ended March 31, 2012 due to an increase in the tax rate for gas from RR509 to RR582 per mcm since January 1, 2013.

Staff costs

Staff costs increased by 28% to RR119,854 million in the three month period ended March 31, 2013 from RR93,710 million in the three month period ended March 31, 2012 mainly due to the average salary indexation.

Depreciation

Depreciation increased by 33%, or RR27,266 million, to RR109,873 million in the three month period ended March 31, 2013 from RR82,607 million in the three month period ended March 31, 2012 primarily due to the growth in the fixed asset base.

Transit of gas, oil and refined products

Transit of gas, oil and refined products increased by 5% to RR86,453 million in the three month period ended March 31, 2013 from RR82,108 million in the three month period ended March 31, 2012 mainly due to an increase in transit costs of oil and refined products caused primarily by the consolidation of Gazprom Neftekhim Salavat starting from the second quarter of 2012.

Materials

Cost of materials increased by 118% to RR52,084 million in the three month period ended March 31, 2013 from RR23,907 million in the three month period ended March 31, 2012 primarily due to the consolidation of OAO Gazprom neftekhim Salavat from June 2012 and due to an increase in prices of purchased materials.

Repairs and maintenance

Cost of repairs and maintenance increased by 12% to RR31,445 million in three month period ended March 31, 2013 from RR28,135 million in the three month period ended March 31, 2012 as a result of an increase in volume of repair services rendered to us by third parties.

Cost of goods for resale, including refined products

Cost of goods for resale, including refined products decreased by 11% to RR30,750 million in the three month period ended March 31, 2013 from RR34,652 million in the three month period ended March 31, 2012 due to a decline in our trading activity.

Electricity and heating expenses

Electricity and heating expenses increased by 24% to RR23,729 million in the three month period ended March 31, 2013 from RR19,104 million in the three month period ended March 31, 2012 mainly as a result of an increase in electricity consumption and higher electricity tariffs.

Exchange rate differences on operating items

Exchange rate differences on operating items for three months ended March 31, 2013 amounted to a net gain of RR5,318 million and net loss of RR33,707 million during three months ended March 31, 2012 primarily due to depreciation of euro by 1% and appreciation of U.S. dollar by 2% against ruble in the three months ended March 31, 2013, compared to depreciation of euro and U.S. dollar against ruble by 6% and 9% in the three months ended March 31, 2012, respectively.

Other operating expenses

Other operating expenses decreased by 8% to RR43,695 million in the three month period ended March 31, 2013 from RR47,316 million in the three month period ended March 31, 2012. Other expenses include bank charges, security services, legal and consulting services, charity and finance aid, advertising and software services.

Changes in inventories of finished goods, work in progress and other effects

Change in inventories of finished goods, work in progress and other effects decreased by 49% from RR55,347 million in the three month period ended March 31, 2012 to RR27,969 million in the three month period ended March 31, 2013 mainly due to a decrease in the balances of finished goods as of March 31, 2013 compared to the balance as of December 31, 2012.

Operating profit

As a result of the factors discussed above, our operating profit increased by RR206,788 million, or 67%, to RR515,981 million in the three month period ended March 31, 2013 from RR309,193 million in the three month period ended March 31, 2012. Operating profit margin increased from 25% in the three month period ended March 31, 2012 to 35% in the three month period ended March 31, 2013.

Net finance (expense) income

	Three month periods ended March 31,	
	2013	**2012 (Restated)**
	RR million	
Exchange gains	21,641	133,926
Exchange losses	(44,281)	(14,547)
Net exchange (loss) gain	(22,640)	119,379
Interest income	5,725	5,548
Interest expense	(7,011)	(15,532)
Net finance income (expense)	**(23,926)**	**109,395**

The net exchange loss of RR22,640 million in the three month period ended March 31, 2013 in comparison with the net exchange gain of RR119,379 million in the same period of the prior year is explained by appreciation of U.S. dollar against ruble by 2% and depreciation of euro against ruble by 1% in the three month period ended March 31, 2013, respectively, compared to depreciation of U.S. dollar and euro against ruble by 9% and 6% in the same period of the prior year, respectively.

Interest income increased by 3% to RR5,725 million in the three month period ended March 31, 2013 from RR5,548 million in the same period of the prior year.

Interest expense decreased by 55% to RR7,011 million in the three month period ended March 31, 2013 from RR15,532 million in the same period of the prior year, mainly due to an increase in interest capitalized in cost of non-current assets for the three month period ended March 31, 2013 in comparison with the same period of the prior year.

Share of net (loss) income of associated undertakings and joint ventures

Share of net loss of associated undertakings and joint ventures in the three months ended March 31, 2013, amounted to RR2,158 million compared to the share of net income in the same period of the prior year in the amount of RR42,983 million. The decrease in the Group's share of net (loss) income of associated undertakings and joint ventures in the three months ended March 31, 2013 relates mainly to the decline in net income of Sakhalin Energy Investment Company Ltd. by RR8,250 million due to an increase of royalty obligations (a fee for subsoil use) attributable to Russian Federation's profit share in production; Gazprombank Group's profits decreased by RR3,983 million mainly due to a reduced profit from the banking activity; a decrease in net income of OAO NGK Slavneft and its subsidiaries – by RR4,050 million caused by a lower crude oil extraction volume for the three month period ended March 31, 2013 compared to the same period of the prior year. The Group's share of net loss of associated undertakings and joint ventures for the three months ended March 31, 2013 includes additional expense of RR 25,961 million recognized for OAO NGK Slavneft and its subsidiaries as a result of a one-time adjustment to correct the prior understatement of depreciation on the basis difference for property, plant and equipment since the Group's acquisition of interests in OAO NGK Slavneft.

Profit tax

Total profit tax expense increased by RR11,573 million, or 13%, to RR101,767 million in the three month period ended March 31, 2013 compared to RR90,194 million in the three month period ended March 31, 2012. The effective profit tax rate was 20.8% and 19.6% in the three month periods ended March 31, 2013 and 2012, respectively. The increase in the effective profit tax rate mainly resulted from a recognition of non-taxable share of net loss of associated undertakings and joint ventures in the three month period ended March 31, 2013 compared to the income recognized in same period of the prior year.

Profit for the period attributable to owners of OAO Gazprom

As a result of the factors discussed above, our profit for the period attributable to owners of OAO Gazprom increased by RR19,262 million, or 5%, from RR361,403 million in the three month period ended March 31, 2012 to RR380,665 million in the three month period ended March 31, 2013.

Profit for the period attributable to non-controlling interest

Profit for the period attributable to non-controlling interest decreased by RR2,287 million, or 23%, to RR7,487 million in the three month period ended March 31, 2013 compared to RR9,774 million in the three month period ended March 31, 2012.

SHAREHOLDING STRUCTURE OF GAZPROM

This section replaces in its entirety the section entitled "Shareholding Structure of Gazprom" on page 192 of the Base Prospectus.

Gazprom's charter capital amounts to RR118,367,564,500, consisting of 23,673,512,900 common shares with a nominal value of RR5 each.

The Russian Federation currently controls over 50% of our shares. As our controlling shareholder, the Russian Federation has a strong influence over the major decisions made at our shareholder meetings and, as the nominating party for a majority of the members of Gazprom's Board of Directors, is able to determine our strategy, make policy decisions in relation to the main areas of our business (including investments, borrowings, risk management and asset allocation), and supervise the implementation of such decisions. Minority shareholders of Gazprom enjoy protections provided under the applicable corporate laws of the Russian Federation to which Gazprom and the Russian Federation, as its controlling shareholder, strictly adhere. For a summary of these protections, see "Description of Share Capital and Certain Requirements of Russian Legislation." We are also a "natural monopoly" in the transportation of natural gas under Federal Law No. 147 FZ, dated August 17, 1995 (the "Natural Monopoly Law"), which means that the tariffs we charge for gas transportation through our trunk pipelines are subject to regulation by the Government.

As of May 13, 2013, the number of Gazprom's registered shareholders was 513,893. Gazprom's common shares are traded at the leading Russian stock exchanges, including the Moscow Interbank Currency Exchange, the Russian Trading System Stock Exchange and the Saint Petersburg Stock Exchange.

In April 2006, Gazprom converted the then Regulation S ADS facility to a Level I ADS facility, which provides for the conversion of Gazprom Shares into ADSs and vice versa. The Bank of New York Mellon acts as the Depositary and at present, Gazprom's Level I ADSs are freely tradeable on the over-the-counter stock market in the United States, the regulated market of the London Stock Exchange under the symbol OGZD and on other European exchanges such as the Berlin-Bremen Stock Exchange and the Frankfurt Stock Exchange. Further, Gazprom has previously issued Rule 144A ADSs in the United States to QIBs. The maximum volume of the Shares subject to the Level I ADSs and the Rule 144A ADSs may not exceed 35% of Gazprom's charter capital. ADSs for Gazprom's shares issued in 1996 pursuant to a private placement were automatically converted into ADSs and remain listed on the London Stock Exchange.

The following table sets forth information regarding the beneficial ownership of Gazprom shares as of September 6, 2013:

Shareholders	(%)
Federal Agency For State Property Management[1]	38.37
OAO Rosneftegaz[1]	10.97
OAO Rosgazifikatsiya(1)	0.89
ADS holders (through The Bank of New York Mellon)	25.80
Other entities[2]	23.97
Total	**100.00**

Notes:

(1) Entities controlled by the Russian Federation. The effective interest of the Russian Federation is 50.01% which is achieved through its holding of a 100% interest in OAO Rosneftegaz which, in turn, holds a 74.55% interest in OAO Rosgazifikatsiya.

(2) Includes 3.1% of Gazprom shares owned by Gazprom subsidiaries.

TAXATION

This section supplements the discussion under "Taxation" beginning on page 262 of the Base Prospectus.

Russian Federation

Taxation of Interest Payments on the Loans

In general, payments of interest on borrowed funds made by a Russian entity to a non-resident legal entity or organization having no registered presence and/or no permanent establishment in Russia are subject to Russian withholding tax at the rate of 20%, which could be potentially reduced or eliminated under the terms of an applicable double tax treaty subject to timely compliance with the respective treaty clearance formalities by the interest recipient.

In particular, the Russia-Luxembourg double tax treaty establishes that Russian withholding tax could be eliminated provided certain criteria specified in the treaty are satisfied by the recipient of income.

The application of the tax benefits under the Russia-Luxembourg double tax treaty could be affected by changes in the interpretation by the Russian tax authorities of the concept of factual/beneficial owner of income. Specifically, on December 30, 2011 the Russian Ministry of Finance issued letter No. 03-08-13/1 (the "Letter") addressed to the Federal Tax Service, in which the Ministry of Finance asserted that in the context of a very specific Eurobond structure, which is not the same as the structure of the transaction described in the Base Prospectus, a foreign issuer of Eurobonds cannot benefit from the provisions of the Russia-Ireland double tax treaty in respect of interest paid by the Russian borrower because, in the view of the Ministry, such foreign issuers of Eurobonds may not be considered as the beneficial owners of interest income. Conversely, the Letter says that holders of the notes could apply the provisions of the respective tax treaty (if any) concluded between Russia and the country of residency of each holder of the notes. We cannot preclude the possibility that the Russian tax authorities might apply the same approach to the payments made under the structure of the Programme as described in the Base Prospectus.

Notwithstanding anything to the contrary above, no withholding tax should arise in Eurobond structures by virtue of the exemption envisaged by the Law No. 97-FZ. The Law No. 97-FZ provides that Russian borrowers should be fully released from the obligation to withhold tax from interest and other payments made to foreign entities provided that the following conditions are all met:

(1) interest is paid on debt obligations of Russian entities that arose in connection with the placement by foreign entities of "issued bonds," which are defined as bonds or other debt obligations (a) listed and/or admitted to trading on one of the specified foreign exchanges and/or (b) that have been registered in foreign depository/clearing organizations;

    The lists of qualifying foreign exchanges and foreign depositary/clearing organizations were approved by Order No. 12-91/pz-n dated October 25, 2012 of the Federal Financial Markets Service of the Russian Federation which came into force on December 30, 2012. The Irish Stock Exchange, Euroclear and Clearstream, Luxembourg are included in the above-mentioned lists. DTC is not expressly mentioned in the lists, but its holding company, the Depository Trust & Clearing Corporation, is mentioned in the lists. We believe that the aforementioned conditions provided by the Law No. 97-FZ are satisfied because, among other things, the Rule 144A Global Notes, if any, will be deposited with Deutsche Bank Trust Company Americas as custodian for DTC, and Deutsche Bank Trust Company Americas is included in the lists.

    The connection between the loan and the issued bonds should be evident and supported with certain documents, which are set forth in the Law No. 97-FZ.

(2) the Loan interest income recipient (i.e., the Issuer) is a tax resident of a jurisdiction with which Russia concluded a double tax treaty which can be confirmed by a tax residency certificate.

The release from the obligation to withhold tax from interest and other payments described herein will apply retrospectively to income paid since 2007.

We believe that it should be possible to satisfy conditions established by the Law No. 97-FZ and obtain a release from the obligation to withhold tax from payments of interest and certain other amounts, as the case may be, on each Loan to the Issuer, which satisfies the conditions set forth above.

Importantly, the Law No. 97-FZ does not provide exemption to the foreign interest income recipients from Russian withholding tax, although currently there is no requirement in the Russian tax legislation for the foreign income recipients being the legal entities to self-assess and pay the tax to the Russian tax authorities. The Russian Ministry of Finance acknowledged in its information letter published on its website that the release from obligation to act as a tax agent means, in effect, that tax at source within Russia should not arise in connection with Eurobonds, since there is neither a mechanism nor obligation for a non-resident to independently calculate and pay such tax. There can be no assurance that such rules will not be introduced in the future or that the Russian tax authorities would not make attempts to collect the tax from the foreign income recipients, including the Issuer or the Noteholders.

If interest and/or any other amounts due under any Loan become payable to the Trustee pursuant to the Trust Deed, there is some residual uncertainty whether the release from the obligation to withhold tax under the Law No. 97-FZ is available to the Trustee. There is a potential risk that Russian withholding tax in respect of payments of interest and some other amounts to the Trustee at the rate of 20% (or such other tax rate as may be effective at the time of payment) or Russian personal income tax at the rate of 30% (or such other tax rate that may be effective at the time of payment) should be deducted by Gazprom upon making such payments to the Trustee. It is not expected that the Trustee will, or will be able to, claim a Russian withholding tax exemption or reduction under any applicable double tax treaty under such circumstances. In addition, while some Noteholders that are persons not residing in Russia for tax purposes may seek a reduction or elimination of Russian withholding tax or personal income tax, as applicable, or a refund of the respective taxes under applicable double tax treaties entered into between their countries of tax residence and the Russian Federation, where such treaties exist and to the extent they are applicable, there is no assurance that any treaty relief will be available to them in practice under such circumstances.

If any payments under any Loan become subject to Russian withholding tax (as a result of which the Issuer will be required to reduce payments made by it under the corresponding Series of the Notes by the amount of such withholding tax) we will be obliged (subject to certain conditions) under the terms of the relevant Loan Agreement to increase payments made under the relevant Loan, as may be necessary so that the net payments received by the Issuer will be equal to the amounts it would have received in absence of such withholding tax.

It is currently unclear whether provisions of the relevant Loan Agreements obliging us to gross-up any payments under the Loans will be enforceable under Russian law as currently in effect. There is a risk that gross-up for Russian withholding tax will not take place and that payments made by us under the respective Loans will be reduced by the amount of Russian income tax or Russian personal income tax withheld by us at source.

If we are obligated to increase any payments under any Loan or to make additional payments on any or all Loans as described above, we may (without premium or penalty), subject to certain conditions, prepay the relevant Loan in full. In such case, all outstanding Notes of the corresponding Series will each be redeemable at par together with accrued and unpaid interest and additional amounts, if any, to the date of repayment.

No VAT will be payable in Russia in respect of interest and principal payments under each Loan.

OVERVIEW OF THE RUSSIAN GAS INDUSTRY, CLASSIFICATION OF RESERVES AND CERTAIN APPLICABLE REGULATORY MATTERS

This section supplements the discussion under "Overview of the Russian Gas Industry, Classification of Reserves and Certain Applicable Regulatory Matters" beginning on page 289 of the Base Prospectus.

Russian Regulation – Health and Safety

Effective March 15, 2013, the Safety Law classifies all industrially hazardous assets into four groups: 1st hazard class or extremely dangerous assets, 2nd hazard class or highly dangerous assets, 3rd hazard class or moderately dangerous assets, and 4th hazard class or lowly dangerous assets. Depending on the type of business, operational facilities are assigned relevant hazard classes. For instance, gas distribution networks are deemed 2nd hazard class if they are designed to transport natural gas under pressure in excess of 1.2 MPa or liquefied natural gas to the extent the pressure is greater than 1.6 MPa. All other gas distribution networks not reaching those criteria are deemed 3rd hazard class. Safety measures to be observed in operating industrial facilities are prescribed by the hazard class applied to a particular asset, including with respect to 1st and 2nd hazard classes, an industrial safety declaration has to be drawn up and, when required, re-drafted in certain cases set out in the Safety Law.

INDEX TO FINANCIAL INFORMATION

Unaudited IFRS Consolidated Interim Condensed Financial Information for OAO Gazprom as of and for the three months ended March 31, 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 31 March 2013 and the related consolidated interim condensed statements of comprehensive income, changes in equity and cash flows for the three-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”.

2 September 2013

Moscow, Russian Federation

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OAO GAZPROM
IFRS CONSOLIDATED INTERIM CONDENSED BALANCE SHEET (UNAUDITED)
AS OF 31 MARCH 2013
(In millions of Russian Roubles)

Notes		31 March 2013	31 December 2012 Restated	1 January 2012 Restated
	Assets			
	Current assets			
6	Cash and cash equivalents	572,890	425,720	504,766
6	Restricted cash	1,635	5,530	6,290
21	Short-term financial assets	17,595	16,962	23,991
7	Accounts receivable and prepayments	1,008,587	940,732	782,562
8	Inventories	427,560	462,746	411,108
	VAT recoverable	350,840	395,368	303,454
	Other current assets	211,767	173,745	216,122
		2,590,874	2,420,803	2,248,293
	Non-current assets			
9	Property, plant and equipment	8,018,433	7,949,170	6,852,103
10	Investments in associated undertakings and joint ventures	530,494	541,113	608,775
11	Long-term accounts receivable and prepayments	506,817	479,138	504,671
21	Available-for-sale long-term financial assets	149,309	161,704	181,138
12	Other non-current assets	418,931	404,908	391,160
		9,623,984	9,536,033	8,537,847
	Total assets	12,214,858	11,956,836	10,786,140
	Liabilities and equity			
	Current liabilities			
	Accounts payable and accrued charges	741,891	1,038,993	804,602
	Current profit tax payable	6,140	7,990	44,115
	Other taxes payable	146,469	122,450	100,324
	Short-term borrowings, promissory notes and current portion of long-term borrowings	296,130	322,633	362,536
		1,190,630	1,492,066	1,311,577
	Non-current liabilities			
13	Long-term borrowings	1,249,190	1,177,959	1,174,283
20	Provisions for liabilities and charges	343,446	336,543	264,466
14	Deferred tax liabilities	538,729	443,804	417,895
	Other non-current liabilities	26,474	26,519	47,699
		2,157,839	1,984,825	1,904,343
	Total liabilities	3,348,469	3,476,891	3,215,920
	Equity			
15	Share capital	325,194	325,194	325,194
15	Treasury shares	(104,200)	(104,094)	(104,605)
	Retained earnings and other reserves	8,347,875	7,949,633	7,052,257
		8,568,869	8,170,733	7,272,846
	Non-controlling interest	297,520	309,212	297,374
	Total equity	8,866,389	8,479,945	7,570,220
	Total liabilities and equity	12,214,858	11,956,836	10,786,140

A.B. Miller
Chairman of the Management Committee
___ ____________ 2013

E.A. Vasilieva
Chief Accountant
___ ____________ 2013

The accompanying notes 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 MONTHS ENDED 31 MARCH 2013
(In millions of Russian Roubles)

Notes		Three months ended 31 March 2013	2012 Restated
16	Sales	1,461,441	1,225,278
	Net gain from trading activity	4,592	1,490
17	Operating expenses	(950,052)	(917,575)
	Operating profit	**515,981**	**309,193**
18	Finance income	27,366	139,474
18	Finance expense	(51,292)	(30,079)
10	Share of net (loss) income of associated undertakings and joint ventures	(2,158)	42,983
	Gains (losses) on disposal of available-for-sale financial assets	22	(200)
	Profit before profit tax	**489,919**	**461,371**
	Current profit tax expense	(6,705)	(102,682)
	Deferred profit tax (expense) benefit	(95,062)	12,488
	Profit tax expense	(101,767)	(90,194)
	Profit for the period	**388,152**	**371,177**
	Other comprehensive income (loss):		
	Items that will not be reclassified to profit or loss:		
	Remeasurements of post employment benefit obligations	753	(1,081)
	Total items that will not be reclassified to profit or loss	**753**	**(1,081)**
	Items that will be reclassified to profit or loss:		
	(Losses) gains arising from change in fair value of available-for-sale financial assets, net of tax	(12,174)	3,551
	Share of other comprehensive gain (loss) of associated undertakings and joint ventures	1,178	(2,758)
	Translation differences	7,439	(51,238)
	Gains from cash flow hedges, net of tax	1,037	6,218
	Total items that will be reclassified to profit or loss	**(2,520)**	**(44,227)**
	Other comprehensive loss for the period, net of tax	**(1,767)**	**(45,308)**
	Total comprehensive income for the period	**386,385**	**325,869**
	Profit attributable to:		
	owners of OAO Gazprom	380,665	361,403
	non-controlling interest	7,487	9,774
		388,152	**371,177**
	Total comprehensive income attributable to:		
	owners of OAO Gazprom	378,647	318,894
	non-controlling interest	7,738	6,975
		386,385	**325,869**
19	**Basic and diluted earnings per share for profit attributable to the owners of OAO Gazprom (in Roubles)**	**16.59**	**15.75**

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___ ____________ 2013

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OAO GAZPROM
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS ENDED 31 MARCH 2013
(In millions of Russian Roubles)

Notes		Three months ended 31 March 2013	Three months ended 31 March 2012 Restated
	Operating activities		
	Profit before profit tax	489,919	461,371
	Adjustments to profit before profit tax		
	Depreciation	109,873	82,607
	Net unrealised foreign exchange losses (gains)	22,640	(119,379)
	Interest expense	7,011	15,532
	Interest income	(5,725)	(5,548)
	Losses on disposal of property, plant and equipment	1,388	658
	(Gains) losses on disposal of available-for-sale financial assets	(22)	200
	Share of net (loss) income of associated undertakings and joint ventures	2,158	(42,983)
	Charge for provisions	21,353	13,789
	Derivatives loss	6,444	20,209
	Other	(2,527)	12,038
	Total effect of adjustments	162,593	(22,877)
	Decrease (increase) in non-current assets	3,739	(2,613)
	Increase in non-current liabilities	3,162	2,717
	Effect of working capital changes	(68,895)	248,208
	Profit tax paid	(72,645)	(80,463)
	Net cash provided by operating activities	**517,873**	**606,343**
	Investing activities		
	Capital expenditures	(403,442)	(385,387)
18	Interest paid and capitalised	(18,490)	(8,308)
	Net change in loans issued	12,774	(8,311)
	Acquisition of subsidiaries, net of cash acquired	(1,688)	(859)
	Investment in associated undertakings and joint ventures	-	(10,239)
	Interest received	6,064	2,081
	Change in available-for-sale long-term financial assets	(248)	(278)
	Proceeds from associated undertakings and joint ventures	8,983	56,166
	Other	(2,723)	(3,085)
	Net cash used for investing activities	**(398,770)**	**(358,220)**
	Financing activities		
	Proceeds from long-term borrowings	153,899	23,468
	Repayment of long-term borrowings (including current portion)	(107,722)	(43,418)
	Net repayment of short-term borrowings	(15,159)	(11,980)
18	Interest paid	(8,699)	(14,787)
	(Purchase) sales of treasury shares	(106)	587
	Change in restricted cash	3,895	1,076
	Net cash provided by (used for) financing activities	**26,108**	**(45,054)**
	Effect of exchange rate changes on cash and cash equivalents	1,959	(17,342)
	Increase in cash and cash equivalents	**147,170**	**185,727**
6	Cash and cash equivalents, at the beginning of reporting period	425,720	504,766
6	**Cash and cash equivalents, at the end of reporting period**	**572,890**	**690,493**

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___ ____________ 2013

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Chief Accountant
___ ____________ 2013

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OAO GAZPROM
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE MONTHS ENDED 31 MARCH 2013
(In millions of Russian Roubles)

Note		Number of shares outstanding (billions)	Attributable to the owners of OAO Gazprom: Share capital	Treasury shares	Retained earnings and other reserves	Total	Non-controlling interest	Total equity
	Three months ended 31 March 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)		-	-	361,403	361,403	9,774	371,177
	Other comprehensive income (loss):							
20	Remeasurements of post employment benefit obligations		-	-	(1,081)	(1,081)	-	(1,081)
	Gains arising from change in fair value of available-for-sale financial assets, net of tax		-	-	3,551	3,551	-	3,551
	Share of other comprehensive loss of associated undertakings and joint ventures		-	-	(2,758)	(2,758)	-	(2,758)
	Translation differences		-	-	(48,162)	(48,162)	(3,076)	(51,238)
	Gains from cash flow hedges, net of tax		-	-	5,941	5,941	277	6,218
	Total comprehensive income for the three months ended 31 March 2012 (restated)		-	-	318,894	318,894	6,975	325,869
	Purchase of non-controlling interest in subsidiaries		-	-	-	-	(669)	(669)
	Net treasury shares transactions	0.1	-	587	-	587	-	587
	Balance as of 31 March 2012 (restated)	23.0	325,194	(104,018)	7,371,151	7,592,327	303,680	7,896,007
	Three months ended 31 March 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		-	-	380,665	380,665	7,487	388,152
	Other comprehensive income (loss):							
20	Remeasurements of post employment benefit obligations		-	-	753	753	-	753
	Losses arising from change in fair value of available-for-sale financial assets, net of tax		-	-	(12,174)	(12,174)	-	(12,174)
	Share of other comprehensive gain of associated undertakings and joint ventures		-	-	1,178	1,178	-	1,178
	Translation differences		-	-	7,153	7,153	286	7,439
	Gains from cash flow hedges, net of tax		-	-	1,072	1,072	(35)	1,037
	Total comprehensive income for the three months ended 31 March 2013		-	-	378,647	378,647	7,738	386,385
	Purchase of non-controlling interest in subsidiaries		-	-	12	12	170	182
	Net treasury shares transactions		-	(106)	-	(106)	-	(106)
	Return of social assets to governmental authorities		-	-	(17)	(17)	-	(17)
	Acquisition of shares in subsidiaries		-	-	19,600	19,600	(19,600)	-
	Balance as of 31 March 2013	22.9	325,194	(104,200)	8,347,875	8,568,869	297,520	8,866,389

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___ ____________ 2013

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The accompanying notes are an integral part of this consolidated interim condensed financial information.

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.

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 and outlook at the end of the reporting period.

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

The consolidated interim condensed financial information is prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). This consolidated interim condensed financial information should be read together 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") exchange rates as determined by the Central Bank of the Russian Federation were 31.08, 29.33, 30.37 and 32.20 as of 31 March 2013, 31 March 2012, 31 December 2012 and 31 December 2011, respectively. The official RR to Euro exchange rates as determined by the Central Bank of the Russian Federation were 39.80, 39.17, 40.23 and 41.67 as of 31 March 2013, 31 March 2012, 31 December 2012 and 31 December 2011, respectively.

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 a

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

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 Items of Other Comprehensive Income” (“IAS 1”) introduce 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 material impact on the Group’s financial position or results of operations.

IFRS 13 “Fair Value Measurement” (IFRS 13) establishes 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) makes 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 Tomksneft 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 investment that was 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.

(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 at 1 January 2012 in the amount of RR 142,587 (31 December 2012: RR 174,447) 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 month period ended 31 March 2012.
- Past-services costs are now recognized immediately though profit or loss when they occur, in the period of a plan amendment. This is resulted in unrecognised past-service costs at 1 January 2012 of RR 47,124 (31 December 2012: RR 43,216) 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 month period ended 31 March 2012.
- 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 assest or liability and the discount rate, measured at the beginning of the year. This resulted in a RR 4,717 decrease in operating expenses for the three month period ended 31 March 2012.

(In millions of Russian Roubles)

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

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.

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	216,044	78	-	216,122
		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	527,627	118	(136,585)	391,160
		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	366,868	(4,332)	-	362,536
		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 liabilities	402,728	15,167	-	417,895
	Other non-current liabilities	47,694	5	-	47,699
		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	7,242,982	(1,014)	(189,711)	7,052,257
		7,463,571	(1,014)	(189,711)	7,272,846
	Non-controlling interest	297,420	(46)	-	297,374
	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

(In millions of Russian Roubles)

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

Notes	Reconciliation consolidated balance sheet as of 31 December 2012	Previously reported	Adjustment due to change in accounting policy: for joint operations	Adjustment due to change in accounting policy: for pension and post-employment benefits	Restated
	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	173,700	45	-	173,745
		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	535,095	272	(130,459)	404,908
		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	326,807	(4,174)	-	322,633
		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 liabilities	429,305	14,499	-	443,804
	Other non-current liabilities	26,483	36	-	26,519
		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	8,170,631	(3,335)	(217,663)	7,949,633
		8,391,731	(3,335)	(217,663)	8,170,733
	Non-controlling interest	309,363	(151)	-	309,212
	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

(In millions of Russian Roubles)

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

Notes	Reconciliation of consolidated condensed statement of comprehensive income for the period ended 31 March 2012	Previously reported	Adjustment due to change in accounting policy: for joint operations	Adjustment due to change in accounting policy: for pension and post-employment benefits	Restated
16	Sales	1,224,878	400	-	1,225,278
	Net gain from trading activity	1,490	-	-	1,490
17	Operating expenses	(927,401)	6,264	3,562	(917,575)
	Operating profit	**298,967**	**6,664**	**3,562**	**309,193**
18	Finance income	139,201	273	-	139,474
18	Finance expense	(30,041)	(38)	-	(30,079)
10	Share of net income (loss) of associated undertakings and joint ventures	48,370	(5,387)	-	42,983
	Losses on disposal of available-for-sale financial assets	(200)	-	-	(200)
	Profit before profit tax	**456,297**	**1,512**	**3,562**	**461,371**
	Current profit tax expense	(101,378)	(1,304)	-	(102,682)
	Deferred profit tax benefit (expense)	12,696	(208)	-	12,488
	Profit tax expense	(88,682)	(1,512)	-	(90,194)
	Profit for the period	**367,615**	**-**	**3,562**	**371,177**
	Other comprehensive income				
	Items that will not be reclassified to profit or loss:				
	Remeasurements of post employment benefit obligations	-	-	(1,081)	(1,081)
	Total items that will not be reclassified to profit or loss	**-**	**-**	**(1,081)**	**(1,081)**
	Items that will be reclassified to profit or loss:				
	Gains arising from change in fair value of available-for-sale financial assets, net of tax	3,551	-	-	3,551
	Share of other comprehensive loss of associated undertakings and joint ventures	(2,758)	-	-	(2,758)
	Translation differences	(47,419)	(3,819)	-	(51,238)
	Gains from cash flow hedges, net of tax	6,218	-	-	6,218
	Total items that will be reclassified to profit or loss	**(40,408)**	**(3,819)**	**-**	**(44,227)**
	Other comprehensive loss for the period, net of tax	**(40,408)**	**(3,819)**	**(1,081)**	**(45,308)**
	Total comprehensive income for the period	**327,207**	**(3,819)**	**2,481**	**325,869**
	Profit attributable to:				
	owners of OAO Gazprom	357,841	-	3,562	361,403
	non-controlling interest	9,774	-	-	9,774
		367,615	**-**	**3,562**	**371,177**
	Total comprehensive income attributable to:				
	owners of OAO Gazprom	320,067	(3,654)	2,481	318,894
	non-controlling interest	7,140	(165)	-	6,975
		327,207	**(3,819)**	**2,481**	**325,869**
19	**Basic and diluted earnings per share for profit attributable to the owners of OAO Gazprom (in Roubles)**	**15.59**	**-**	**0.16**	**15.75**

(In millions of Russian Roubles)

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

Reconciliation of consolidated condensed statement of cash flows for the period ended 31 March 2012	Previously reported	Adjustment due to change in accounting policy		Restated
		for joint operations	for pension and post-employment benefits	
Net cash provided by operating activities	597,621	8,722	-	606,343
Net cash used for investing activities	(351,393)	(6,827)	-	(358,220)
Net cash provided by (used for) financing activities	(44,496)	(558)	-	(45,054)
Effect of exchange rate changes on cash and cash equivalents	(17,308)	(34)	-	(17,342)
Increase in cash and cash equivalents	**184,424**	**1,303**	**-**	**185,727**

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.

(In millions of Russian Roubles)

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
Three months ended 31 March 2013									
Total segment revenues	162,891	227,682	973,093	8,357	166,918	322,069	106,851	55,225	2,023,086
Inter-segment sales	160,414	186,450	71,751	7,947	114,638	2,891	-	-	544,091
External sales	2,477	41,232	901,342	410	52,280	319,178	106,851	55,225	1,478,995
Segment result	11,218	19,715	347,180	1,586	23,829	36,072	19,456	(7,089)	451,967
Depreciation	33,023	92,558	3,086	3,759	25,836	8,343	5,969	5,296	177,870
Share of net income (loss) of associated undertakings and joint ventures	519	480	4,750	139	(7,664)	(2,165)	-	1,783	(2,158)
Three months ended 31 March 2012 (restated)									
Total segment revenues	132,831	185,792	790,997	6,740	184,277	258,491	112,564	56,273	1,727,965
Inter-segment sales	130,341	153,733	71,997	6,412	118,626	2,520	-	-	483,629
External sales	2,490	32,059	719,000	328	65,651	255,971	112,564	56,273	1,244,336
Segment result	3,403	3,564	168,737	557	44,461	13,182	16,466	(3,485)	246,885
Depreciation	27,651	82,723	2,466	3,332	14,628	7,273	5,168	4,382	147,623
Share of net income of associated undertakings and jointl ventures	309	519	6,296	-	26,906	2,671	-	6,282	42,983

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

	For the three months ended 31 March 2013	2012 (restated)
Segment result for reportable segment	459,056	250,370
Other segments' result	(7,089)	(3,485)
Segment result	**451,967**	**246,885**
Difference in depreciation	67,997	65,016
Expenses associated with pension obligations	(1,933)	(834)
Finance (expense) income, net	(23,926)	109,395
Gains (losses) on disposal of available-for-sale financial assets	22	(200)
Share of net (loss) income of associated undertakings and joint ventures	(2,158)	42,983
Other	(2,050)	(1,874)
Profit before profit tax	**489,919**	**461,371**

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

	For the three months ended 31 March 2013	2012 (restated)
External sales for reportable segments	1,423,770	1,188,063
External sales for other segments	55,225	56,273
Total external segment sales	**1,478,995**	**1,244,336**
Differences in external sales	(17,554)	(19,058)
Total sales per the statement of comprehensive income	**1,461,441**	**1,225,278**

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.

(In millions of Russian Roubles)

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
31 March 2013									
Segment assets	1,912,423	5,182,770	1,251,264	220,716	1,423,721	1,098,243	604,564	601,099	12,294,800
Investments in associated undertakings and joint ventures	29,864	52,015	69,975	4,206	255,921	15,748	448	102,317	530,494
Capital additions	39,311	35,778	4,467	3,510	33,935	22,453	15,217	13,013	167,684
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 joint ventures	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

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

	31 March 2013	31 December 2012 (restated)
Segment assets for reportable segments	11,693,701	11,630,781
Other segments' assets	601,099	587,508
Total segment assets	**12,294,800**	**12,218,289**
Differences in property, plant and equipment, net*	(1,782,804)	(1,850,808)
Loan interest capitalised	340,222	323,480
Decommissioning costs	91,992	91,281
Cash and cash equivalents	572,890	425,720
Restricted cash	1,635	5,530
Short-term financial assets	17,595	16,962
VAT recoverable	350,840	395,368
Other current assets	211,767	173,745
Available-for-sale long-term financial assets	149,309	161,704
Other non-current assets	418,931	404,908
Inter-segment assets	(670,409)	(645,226)
Other	218,090	235,883
Total assets per the balance sheet	**12,214,858**	**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									
31 March 2013	114,830	304,048	513,962	7,976	172,993	249,570	31,364	103,804	1,498,547
31 December 2012 (restated)	135,554	426,987	599,617	9,844	165,515	260,159	32,360	146,937	1,776,973

(In millions of Russian Roubles)

5 SEGMENT INFORMATION (continued)

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

	31 March 2013	31 December 2012 (restated)
Segment liabilities for reportable segments	1,394,743	1,630,036
Other segments' liabilities	103,804	146,937
Total segments liabilities	**1,498,547**	**1,776,973**
Current profit tax payable	6,140	7,990
Short-term borrowings, promissory notes and current portion of long-term borrowings	296,130	322,633
Long-term borrowings	1,249,190	1,177,959
Provisions for liabilities and charges	343,446	336,543
Deferred tax liabilities	538,729	443,804
Other non-current liabilities	26,474	26,519
Dividends	1,696	1,779
Inter-segment liabilities	(670,409)	(645,226)
Other	58,526	27,917
Total liabilities per the balance sheet	**3,348,469**	**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.

	31 March 2013	31 December 2012 (restated)
Cash on hand and bank balances payable on demand	485,852	315,503
Term deposits with original maturity of three months or less	87,038	110,217
	572,890	**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 31 Mach 2013 and 31 Decemebr 2012, respectively.

7 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	31 March 2013	31 December 2012 (restated)
Trade receivables	733,138	654,262
Prepayments and advances	127,198	141,833
Other receivables	148,251	144,637
	1,008,587	**940,732**

Accounts receivable and prepayments are presented net of impairment provision of RR 286,817 and RR 273,620 as of 31 March 2013 and 31 December 2012, respectively.

8 INVENTORIES

Inventories are presented net of provision for obsolescence of RR 4,514 and RR 4,476 as of 31 March 2013 and 31 December 2012, respectively.

(In millions of Russian Roubles)

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	(3,130,846)	(29,845)	-	(3,160,691)
Net book value as of 31 December 2011 (restated)	**4,957,352**	**59,210**	**1,835,541**	**6,852,103**
Three months ended 31 March 2012				
Net book value as of 31 December 2011	4,957,352	59,210	1,835,541	6,852,103
Depreciation	(81,604)	(620)	-	(82,224)
Additions	2,550	57	200,078	202,685
Translation differences	(15,662)	(16)	(5,479)	(21,157)
Transfers	75,633	112	(75,745)	-
Disposals	(3,595)	(503)	(2,306)	(6,404)
Release of impairment provision	-	-	608	608
Net book value as of 31 March 2012 (restated)	**4,934,674**	**58,240**	**1,952,697**	**6,945,611**
Nine months ended 31 December 2012				
Net book value as of 31 March 2012	4,934,674	58,240	1,952,697	6,945,611
Depreciation	(260,317)	(1,903)	-	(262,220)
Additions	20,649	1,216	1,124,563	1,146,428
Acquisition of subsidiaries	50,041	-	50,468	100,509
Translation differences	2,629	(18)	3,880	6,491
Transfers	1,582,156	3,845	(1,586,001)	-
Disposals	(20,384)	(377)	(16,214)	(36,975)
Release of impairment provision	340	-	48,986	49,326
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	(3,478,858)	(32,178)	-	(3,511,036)
Net book value as of 31 December 2012 (restated)	**6,309,788**	**61,003**	**1,578,379**	**7,949,170**
Three months ended 31 March 2013				
Net book value as of 31 December 2012	6,309,788	61,003	1,578,379	7,949,170
Depreciation	(108,591)	(665)	-	(109,256)
Additions	2,702	1,167	178,651	182,520
Acquisition of subsidiaries	1,565	-	-	1,565
Translation differences	2,323	6	106	2,435
Transfers	78,422	14	(78,436)	-
Disposals	(2,459)	(244)	(2,529)	(5,232)
Disposal of subsidiaries	(892)	(20)	(1,610)	(2,522)
Charge for impairment provision	-	-	(247)	(247)
Net book value as of 31 March 2013	**6,282,858**	**61,261**	**1,674,314**	**8,018,433**
As of 31 March 2013				
Cost	9,871,600	94,037	1,674,314	11,639,951
Accumulated depreciation	(3,588,742)	(32,776)	-	(3,621,518)
Net book value as of 31 March 2013	**6,282,858**	**61,261**	**1,674,314**	**8,018,433**

Production assets are shown net of provision for impairment of RR 54,047 as of 31 March 2013 and 31 December 2012. Assets under construction are presented net of provision for impairment of RR 43,578 and RR 43,378 as of 31 March 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 743 and RR 778 as of 31 March 2013 and 31 December 2012, respectively.

(In millions of Russian Roubles)

10 INVESTMENTS IN ASSOCIATED UNDERTAKINGS AND JOINT VENTURES

Notes			Carrying value as of		Group's share of the (loss) income for the three months ended 31 March	
			31 March 2013	31 December 2012 (restated)	2013	2012 (restated)
23	OAO NGK Slavneft and its subsidiaries	Joint venture	125,633	149,208	(23,575)	6,436
23,24	Sakhalin Energy Investment Company Ltd.	Associate	102,308	88,862	12,792	21,042
23	Gazprombank Group	Associate	88,130	86,569	1,875	5,858
23,24	Nord Stream AG	Joint venture	37,400	35,870	605	592
23	W & G Beteiligungs-GmbH & Co. KG and its subsidiaries	Associate	33,470	38,216	2,221	2,350
	OOO Yamal razvitie and its subsidiaries	Joint venture	24,284	24,328	(54)	123
	Shtokman Development AG	Joint venture	22,214	21,783	(77)	21
23,24	SGT EuRoPol GAZ S.A.	Associate	16,507	17,347	(230)	(105)
23	TOO KazRosGaz	Joint venture	14,621	12,819	1,513	1,745
	Wintershall AG	Associate	12,752	12,198	642	777
	ZAO Achimgaz	Joint venture	6,763	5,933	830	449
23	AO Latvijas Gaze	Associate	4,430	4,414	88	77
23	AO Gasum	Associate	4,239	4,089	196	182
23	AO Lietuvos dujos	Associate	3,070	2,937	164	131
	ZAO Nortgaz	Joint venture	1,211	1,128	83	68
22,23	OAO Gazprom neftekhim Salavat*	-	–	–	–	1,062
	Other (net of provision for impairment of RR 1,929 as of 31 March 2013 and 31 December 2012)		33,462	35,412	769	2,175
			530,494	**541,113**	**(2,158)**	**42,983**

* 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. During the period from September 2012 to March 2013 as a result of series of transactions, the Group acquired an additional 10.36% interest in the ordinary shares of OAO Gazprom neftekhim Salavat for cash consideration of RR 10,345 increasing its interest to 97.87% (see Note 22).

The Group's share of loss of associated undertakings and joint ventures for the three months ended 31 March 2013 includes additional expense of RR 25,961 recognized for OAO NGK Slavneft and its subsidiaries as a result of a one-time adjustment to correct the prior understatement of depreciation on the basis difference for property, plant and equipment since the Group's acquisition of interests in OAO NGK 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, profit (loss) of the Group's principal associated undertakings and joint ventures and not the Group's share.

(In millions of Russian Roubles)

10 INVESTMENTS IN ASSOCIATED UNDERTAKINGS AND JOINT VENTURES (continued)

	Percent of share capital held	Location	As of 31 March 2013 Assets	Liabilities	For the three months ended 31 March 2013 Revenues	Profit (loss)
Gazprombank Group*	38%	Russia	3,234,768	2,864,997	34,402	4,962
Sakhalin Energy Investment Company Ltd.	50%	Bermuda	674,660	464,589	77,768	25,583
OAO NGK Slavneft and its subsidiaries	50%	Russia	620,845	316,202	47,808	4,787
Nord Stream AG	51%	Switzerland	314,599	239,243	8,213	1,186
W & G Beteiligungs-GmbH & Co. KG and its subsidiaries	50%	Germany	267,619	230,169	167,501	8,651
OOO Yamal razvitie and its subsidiaries	50%	Russia	197,466	88,754	3,133	(214)
Shtokman Development AG**	75%	Switzerland	45,902	2,219	-	(102)
SGT EuRoPol GAZ S.A.	48%	Poland	45,833	11,443	3,295	(86)
Wintershall AG	49%	Germany	45,286	37,005	24,663	1,310
AO Gasum	25%	Finland	34,848	17,888	16,929	723
AO Lietuvos dujos	37%	Lithuania	34,390	10,208	7,606	441
AO Latvijas Gaze	34%	Latvia	31,919	6,507	10,110	258
TOO KazRosGaz	50%	Kazakhstan	31,066	1,824	8,129	3,026
ZAO Nortgaz	51%	Russia	30,427	28,054	2,178	336
ZAO Achimgaz	50%	Russia	22,106	7,464	2,458	1,644

* Presented revenue of Gazprombank Group is reported according to the Group accounting policy and includes revenue of media business, machinery business and other non-banking companies.

**In July 2012 Statoil ASA signed an agreement to transfer its 24% interest in Shtokman Development AG to OAO Gazprom 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.

	Percent of share capital held	Location	As of 31 March 2012 Assets	Liabilities	For the three months ended 31 March 2012 Revenues	Profit (loss)
Gazprombank Group*	47%	Russia	2,462,493	2,203,142	35,223	12,676
Sakhalin Energy Investment Company Ltd.	50%	Bermuda	598,343	366,345	82,156	42,084
OAO NGK Slavneft and its subsidiaries	50%	Russia	597,792	320,121	53,735	12,815
Nord Stream AG	51%	Switzerland	270,558	201,181	5,659	1,162
W & G Beteiligungs-GmbH & Co. KG and its subsidiaries	50%	Germany	204,258	168,036	138,864	6,750
OOO Yamal razvitie and its subsidiaries	50%	Russia	174,641	63,899	-	(349)
OAO Gazprom neftekhim Salavat**	69%	Russia	88,448	64,083	30,314	1,539
SGT EuRoPol GAZ S.A.	48%	Poland	47,029	13,511	3,625	(216)
Shtokman Development AG	51%	Switzerland	46,308	4,348	-	89
Wintershall AG	49%	Germany	45,569	32,137	25,989	1,586
AO Gasum	25%	Finland	33,433	17,208	16,918	727
AO Latvijas Gaze	34%	Latvia	31,450	7,216	10,048	226
AO Lietuvos dujos	37%	Lithuania	30,340	6,669	8,000	353
TOO KazRosGaz	50%	Kazakhstan	29,789	2,286	10,656	3,529
ZAO Nortgaz	51%	Russia	21,576	10,618	1,571	196
ZAO Achimgaz	50%	Russia	13,166	3,229	1,412	898

* Presented revenue of Gazprombank Group is reported according to the Group accounting policy and includes revenue of media business, machinery business and other non-banking companies.

In February 2012 OAO Gazprom purchased 375,000 ordinary shares in the course of the additional share issue, registered by the Central Bank of the Russian Federation in December 2011. Upon the completion of additional share issue in June 2012, effective share of the Group in OAO Gasprombank comprised 38%.

** In November and December 2011 the Group acquired a 19% interest in OAO Gazprom neftekhim Salavat increasing its share to 69%. As of 31 March 2012 the investment in OAO Gazprom neftekhim Salavat continued to be accounted under the equity method (see Note 22).

(In millions of Russian Roubles)

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:

	31 March 2013	31 December 2012
AO Latvijas Gaze	4,846	4,806
AO Lietuvos dujos	5,163	3,924

11 LONG-TERM ACCOUNTS RECEIVABLE AND PREPAYMENTS

	31 March 2013	31 December 2012 (restated)
Long-term accounts receivable and prepayments	156,903	175,878
Advances for assets under construction	349,914	303,260
	506,817	**479,138**

Long-term accounts receivable and prepayments are presented net of impairment provision of RR 12,573 and RR 13,156 as of 31 March 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 98,099 and RR 89,128 as of 31 March 2013 and 31 December 2012, respectively.

Other non-current assets include net pension assets in the amount of RR 86,327 and RR 84,379 (restated) as of 31 March 2013 and 31 December 2012, respectively (see Notes 4 and 20).

Other non-current assets include goodwill on subsidiaries in the amount of RR 147,675 and RR 146,587 as of 31 March 2013 and 31 December 2012, respectively.

13 LONG-TERM BORROWINGS

	Currency	Final Maturity	31 March 2013	31 December 2012 (restated)
Long-term borrowings and promissory notes payable to:				
Loan participation notes issued in April 2009[1]	US dollar	2019	72,777	69,533
Loan participation notes issued in July 2012 [1]	Euro	2017	55,821	57,250
Loan participation notes issued in June 2007[1]	US dollar	2013	50,703	48,795
Loan participation notes issued in October 2007[1]	Euro	2018	48,169	51,088
Loan participation notes issued in September 2012 [6]	US dollar	2022	46,687	46,118
Loan participation notes issued in November 2006[1]	US dollar	2016	42,897	41,279
Loan participation notes issued in May 2005[1]	Euro	2015	41,751	41,607
Loan participation notes issued in March 2007[1]	US dollar	2022	40,584	40,298
White Nights Finance B.V.	US dollar	2014	40,535	39,609
Loan participation notes issued in March 2013[1]	Euro	2020	39,843	-
Loan participation notes issued in July 2009[1]	US dollar	2014	39,380	39,251
Loan participation notes issued in August 2007[1]	US dollar	2037	39,208	39,003
Loan participation notes issued in April 2004[1]	US dollar	2034	38,667	36,997
Loan participation notes issued in April 2008[1]	US dollar	2018	35,507	34,015

(In millions of Russian Roubles)

13 LONG-TERM BORROWINGS (continued)

	Currency	Final Maturity	31 March 2013	31 December 2012 (restated)
Loan participation notes issued in July 2009[1]	Euro	2015	34,254	36,715
Natixis SA[2]	US dollar	2015	33,491	36,232
Loan participation notes issued in November 2011[1]	US dollar	2016	31,630	30,531
Loan participation notes issued in November 2010[1]	US dollar	2015	31,620	30,510
Loan participation notes issued in July 2012 [1]	US dollar	2022	31,391	31,049
Loan participation notes issued in October 2006[1]	Euro	2014	31,196	32,719
Loan participation notes issued in June 2007[1]	Euro	2014	28,484	28,417
Loan participation notes issued in February 2013[1]	US dollar	2028	28,187	-
ZAO Mizuho Corporate Bank (Moscow)	US dollar	2016	27,329	26,563
Loan participation notes issued in February 2013[1]	US dollar	2020	25,013	-
Bank of Tokyo-Mitsubishi UFJ Ltd.[2]	US dollar	2016	21,994	22,887
Russian bonds issued in April 2010[6]	Rouble	2013	20,678	20,326
Loan participation notes issued in March 2007[1]	Euro	2017	20,346	20,294
Loan participation notes issued in November 2006[1]	Euro	2017	19,929	20,921
Loan participation notes issued in March 2013[1]	Euro	2025	19,927	-
Loan participation notes issued in November 2011[1]	US dollar	2021	18,861	18,704
GK Vnesheconombank	Rouble	2025	16,588	14,808
BNP Paribas SA[2]	Euro	2022	16,368	16,451
Loan participation notes issued in July 2008[1]	US dollar	2013	15,827	15,617
The Royal Bank of Scotland AG[2]	US dollar	2015	15,682	15,483
Russian bonds issued in February 2013[8]	Rouble	2016	15,117	-
Loan participation notes issued in April 2008[1]	US dollar	2013	12,865	12,347
Deutsche Bank AG	US dollar	2016	12,511	12,387
UniCredit Bank AG[2,9]	US dollar	2018	10,657	13,683
Russian bonds issued in April 2009[6]	Rouble	2019	10,373	10,171
Russian bonds issued in December 2012	Rouble	2022	10,272	10,063
Russian bonds issued in February 2011[6]	Rouble	2021	10,132	10,356
Russian bonds issued in February 2011[6]	Rouble	2016	10,126	10,340
Russian bonds issued in February 2011[6]	Rouble	2021	10,126	10,340
Russian bonds issued in February 2013[8]	Rouble	2017	10,079	-
Russian bonds issued in February 2012[6]	Rouble	2022	10,011	10,330
OAO Gazprombank	Rouble	2018	10,000	10,000
OAO Gazprombank	Rouble	2017	10,000	10,000
Sumitomo Mitsui Finance Dublin Limited	US dollar	2016	9,977	9,749
UniCredit Bank AG[2,9]	Euro	2018	9,840	13,067
Citibank International plc[2]	US dollar	2021	9,756	8,563
Credit Agricole CIB	Euro	2015	9,570	9,673
Deutsche Bank AG	US dollar	2014	9,398	9,186
Bank of Tokyo-Mitsubishi UFJ Ltd.	US dollar	2016	9,335	9,122
Bank of Tokyo-Mitsubishi UFJ Ltd.	US dollar	2015	9,327	9,171
Eurofert Trading Limited llc[4]	Rouble	2015	8,600	8,600
Credit Agricole CIB[2]	US dollar	2013	7,785	7,607
Bank of America Securities Limited	Euro	2017	7,279	7,285
OAO TransKreditBank	Rouble	2014	7,055	7,055
Deutsche Bank AG	US dollar	2014	6,237	6,093
BNP Paribas SA[2]	Euro	2023	6,466	6,497
Banc of America Securities Limited	US dollar	2016	5,599	5,471
Russian bonds issued in June 2009	Rouble	2014	5,181	5,011
Russian bonds issued in December 2009[5]	Rouble	2014	5,144	5,037
Russian bonds issued in February 2007	Rouble	2014	5,046	5,137
Russian bonds issued in February 2013[8]	Rouble	2018	5,039	-
Eurofert Trading Limited llc[4]	Rouble	2015	5,000	5,000
Deutsche Bank AG	US dollar	2014	4,476	4,353

(In millions of Russian Roubles)

13 LONG-TERM BORROWINGS (continued)

	Currency	Final Maturity	31 March 2013	31 December 2012 (restated)
OAO VTB Bank	Rouble	2014	4,011	4,010
UniCredit Bank AG[2,9]	Rouble	2018	3,148	4,134
Russian bonds issued in July 2009[7]	Rouble	2014	2,941	2,894
WestLB AG[2]	US dollar	2013	1,644	3,214
The Royal Bank of Scotland AG[2]	US dollar	2013	1,254	1,838
The Royal Bank of Scotland AG	US dollar	2013	-	54,858
Structured export notes issued in July 2004[3]	US dollar	2013	-	12,509
Other long-term borrowings and promissory notes	Various	Various	71,945	86,606
Total long-term borrowings and promissory notes			**1,494,646**	**1,434,827**
Less: current portion of long-term borrowings			(245,456)	(256,868)
			1,249,190	**1,177,959**

[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 and OAO WGC-6. In November 2011 OAO WGC-6 was merged with OAO WGC-2.
[5] Issuer of these bonds is OAO Mosenergo.
[6] Issuer of these bonds is Gazprom neft
[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.

Due for repayment:	31 March 2013	31 December 2012 (restated)
Between one and two years	250,526	278,726
Between two and five years	538,206	502,440
After five years	460,458	396,793
	1,249,190	**1,177,959**

Long-term borrowings include fixed rate loans with a carrying value of RR 1,238,442 and RR 1,164,841 and fair value of RR 1,328,974 and RR 1,275,306 as of 31 March 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 31 March 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 31 March 2013 and 31 December 2012 according to the project facility agreement, signed within the framework of the development project of Yuzhno-Russkoe 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 25,387 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 37,300 as of 31 March 2013.

Under the terms of the Russian bonds with the nominal value of RR 10,000 issued by OAO Gazprom neft 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 neft 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 neft in

(In millions of Russian Roubles)

13 LONG-TERM BORROWINGS (continued)

February 2011 due in 2021 bondholders can execute the right of early redemption in February 2016 at par.

Under the terms of the Russian bonds with the nominal value of RR 10,000 issued by OAO 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 OAO 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 OAO TGC-1 in July 2009 due in 2014 bondholders can execute the right of early redemption in July 2013 at par.

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

14 PROFIT TAX

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.

	31 March 2013	Differences recognition and reversals	31 December 2012 (restated)	31 March 2012 (restated)	Differences recognition and reversals	31 December 2011 (restated)
Tax effects of taxable temporary differences:						
Property, plant and equipment	(551,004)	(85,506)	(465,498)	(422,048)	(16,822)	(405,226)
Financial assets	(8,444)	1,549	(9,993)	(10,982)	3,692	(14,674)
Inventories	(860)	(1,003)	143	(965)	3,803	(4,768)
	(560,308)	**(84,960)**	**(475,348)**	**(433,995)**	**(9,327)**	**(424,668)**
Tax effects of deductible temporary differences:						
Tax losses carry forward	216	8	208	594	(302)	896
Retroactive gas price adjustments	11,438	(11,613)	23,051	21,467	21,467	-
Other deductible temporary differences	9,925	1,640	8,285	10,672	4,795	5,877
	21,579	**(9,965)**	**31,544**	**32,733**	**25,960**	**6,773**
Total net deferred tax liabilities	**(538,729)**	**(94,925)**	**(443,804)**	**(401,262)**	**16,633**	**(417,895)**

Taxable temporary differences recognized for the three months ended 31 March 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 81,666 with the corresponding offsetting credit to the current profit tax expense and therefore no net impact to the consolidated net profit for the three months ended 31 March 2013.

Taxable temporary differences recognized for the three months ended 31 March 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 three months ended 31 March 2012.

15 EQUITY

Share capital

Share capital authorised, issued and paid totals RR 325,194 as of 31 March 2013 and 31 December 2012 and 31 December 2011 and consists of 23.7 billion ordinary shares, each with a historical par value of 5 Russian Roubles.

Treasury shares

As of 31 March 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.

(In millions of Russian Roubles)

16 SALES

	Three months ended 31 March 2013	Three months ended 31 March 2012 (restated)
Gas sales gross of customs duties to customers in:		
Russian Federation	280,298	269,070
Former Soviet Union (excluding Russian Federation)	146,605	172,365
Europe and other countries	538,132	492,302
	965,035	933,737
Customs duties	(134,646)	(133,742)
Retroactive gas price adjustments*	73,430	(78,505)
Sales of gas	903,819	721,490
Sales of refined products to customers in:		
Russian Federation	180,523	159,137
Former Soviet Union (excluding Russian Federation)	18,053	13,729
Europe and other countries	120,602	83,105
Total sales of refined products	319,178	255,971
Sales of crude oil and gas condensate to customers in:		
Russian Federation	7,762	13,817
Former Soviet Union (excluding Russian Federation)	13,208	9,867
Europe and other countries	31,310	41,967
Total sales of crude oil and gas condensate	52,280	65,651
Electric and heat energy sales	106,851	111,601
Gas transportation sales	41,232	32,059
Other revenues	38,081	38,506
Total sales	**1,461,441**	**1,225,278**

* 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 profits 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 months ended 31 March 2013 was a credit of RR 73,430 reflecting a decrease in a related accrual following estimates made and agreements reached prior to the issuance of the first quarter 2013 financial information.

(In millions of Russian Roubles)

17 OPERATING EXPENSES

Note		Three months ended 31 March 2013	Three months ended 31 March 2012 (restated)
	Purchased oil and gas	187,280	177,233
23	Taxes other than on income	182,816	169,976
	Staff costs	119,854	93,710
	Depreciation	109,873	82,607
	Transit of gas, oil and refined products	86,453	82,108
	Materials	52,084	23,907
	Repairs and maintenance	31,445	28,135
	Cost of goods for resale, including refined products	30,750	34,652
	Electricity and heating expenses	23,729	19,104
	Charge for impairment provisions	13,314	9,123
	Social expenses	8,890	4,067
	Transportation services	7,459	5,451
	Losses from derivatives	6,444	20,209
	Rental expenses	5,874	5,562
	Insurance expenses	5,385	4,811
	Research and development expenses	4,714	5,250
	Heat transmission	3,835	11,809
	Processing services	3,507	3,491
	Exchange rate differences on operating items	(5,318)	33,707
	Other	43,695	47,316
		922,083	**862,228**
	Changes in inventories of finished goods, work in progress and other effects	27,969	55,347
	Total operating expenses	**950,052**	**917,575**

Staff costs include RR 8,039 and RR 4,666 of expenses associated with pension obligations for the three months ended 31 March 2013 and 2012, respectively (see Note 20).

18 FINANCE INCOME AND EXPENSES

	Three months ended 31 March 2013	Three months ended 31 March 2012 (restated)
Exchange gains	21,641	133,926
Interest income	5,725	5,548
Total finance income	**27,366**	**139,474**
Exchange losses	44,281	14,547
Interest expense	7,011	15,532
Total finance expenses	**51,292**	**30,079**

Total interest paid amounted to RR 27,189 and RR 23,095 for the three months ended 31 March 2013 and 2012, respectively.

(In millions of Russian Roubles)

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 months ended 31 March 2013 and 2012, respectively.

There are no dilutive financial instruments outstanding.

20 PROVISIONS FOR LIABILITIES AND CHARGES

	31 March 2013	31 December 2012 (restated)
Provision for pension obligations	202,651	198,256
Provision for decommissioning and site restoration costs	130,615	127,763
Other	10,180	10,524
	343,446	**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 86,327 and RR 84,379 (restated) as of 31 March 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 market values subject to certain limitations. As of 31 March 2013 and 31 December 2012 management estimated the fair value of these assets at approximately RR 417 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.

	31 March 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	(330,267)	(202,651)	(323,133)	(198,256)
Fair value of plan assets	416,594	-	407,512	-
Net balance asset (liability)	**86,327**	**(202,651)**	**84,379**	**(198,256)**

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

	Three months ended 2013	Three months ended 2012 (restated)
Current service cost	6,005	3,912
Net interest	2,034	754
Total expenses included in staff costs	**8,039**	**4,666**

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

	Three months ended 2013	Three months ended 2012 (restated)
Return on plan assets net of the net interest	753	3,820
Change in the effect of the asset ceiling	-	(4,901)
Total	**753**	**(1,081)**

(In millions of Russian Roubles)

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).

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

	31 March 2013			
	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)**	**Total**
Financial assets held for trading:				
Equity securities	2,686	10,849	-	13,535
Bonds	2,320	-	-	2,320
Available-for-sale financial assets:				
Bonds	397	-	-	397
Promissory notes	-	1,343	-	1,343
Total short-term financial assets	**5,403**	**12,192**	-	**17,595**
Available-for-sale financial assets:				
Equity securities	121,977	23,845	2,126	147,948
Bonds	55	-	-	55
Promissory notes	-	1,306	-	1,306
Total available-for-sale long-term financial assets	**122,032**	**25,151**	**2,126**	**149,309**
Derivatives	595	22,249	155	22,999
Total assets	**128,030**	**59,592**	**2,281**	**189,903**
Derivatives	544	31,949	269	32,762
Total liabilities	**544**	**31,949**	**269**	**32,762**

(In millions of Russian Roubles)

21 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 December 2012			
	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)**	**Total**
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 149,309 and RR 161,704 are shown net of provision for impairment of RR 1,689 and RR 2,059 as of 31 March 2013 and 31 December 2012, respectively.

As of 31 March 2013 and 31 December 2012 long-term available-for-sale financial assets include OAO NOVATEK shares in the amount of RR 101,639 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. Management made a preliminary assessment on a provisional basis. Management is required to finalise the accounting within 12 months from the date of acquisition. Any revisions to the provisional values will be reflected as of the acquisition date.

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.

(In millions of Russian Roubles)

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

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. 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	Provisional 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	5,868	5,868
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	877	877
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	24,612	24,612
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	85	85
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**

During the period from September 2012 to March 2013 as a result of series of transactions, the Group acquired an additional 10.36% interest in the ordinary shares of OAO Gazprom neftekhim Salavat for cash consideration of RR 10,345 increasing its interest to 97.87%. The difference between consideration paid and the non-controlling interest acquired has been recognized in equity in amount of RR 8,161 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 31 March 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.

(In millions of Russian Roubles)

23 RELATED PARTIES (continued)

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 Russian tax legislation.

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

Notes		As of 31 March 2013		Three months ended 31 March 2013	
		Assets	Liabilities	Income	Expenses
	Transactions and balances with the Government				
	Current profit tax	72,253	6,140	-	6,705
	Insurance contributions to non-budget funds	262	7,083	-	22,629
	VAT recoverable/payable	512,028	61,584	-	-
	Customs duties	58,086	-	-	-
17	Other taxes	4,933	77,802	-	182,816
	Transactions and balances with other parties under control of the Government				
	Gas sales	-	-	23,801	-
	Electricity and heating sales	-	-	64,749	-
	Other services sales	-	-	409	-
	Accounts receivable	38,611	-	-	-
	Oil transportation expenses	-	-	-	25,949
	Accounts payable	-	8,289	-	-
	Loans	-	53,530	-	-
	Interest expense	-	-	-	732
	Short-term financial assets	1,964	-	-	-
	Available-for-sale long-term financial assets	20,104	-	-	-

		As of 31 December 2012 (restated)		Three months ended 31 March 2012 (restated)	
		Assets	Liabilities	Income	Expenses
	Transactions and balances with the Government				
	Current profit tax	14,241	8,005	-	102,682
	Insurance contributions to non-budget funds	578	4,290	-	20,024
	VAT recoverable/payable	565,556	52,763	-	-
	Customs duties	67,662	-	-	-
17	Other taxes	4,614	65,418	-	169,976
	Transactions and balances with other parties under control of the Government				
	Gas sales	-	-	17,632	-
	Electricity and heating sales	-	-	63,399	-
	Other services sales	-	-	432	-
	Accounts receivable	34,362	-	-	-
	Oil transportation expenses	-	-	-	24,141
	Accounts payable	-	7,197	-	-
	Loans	-	64,523	-	-
	Interest expense	-	-	-	829
	Short-term financial assets	1,738	-	-	-
	Available-for-sale long-term financial assets	24,544	-	-	-

(In millions of Russian Roubles)

23 RELATED PARTIES (continued)

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 governmental authorities during the three months ended 31 March 2012. See Note 9 for net book values as of 31 March 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 months ended 31 March 2013 and 2012 and as of 31 March 2013 and 31 December 2012 the Group had the following significant transactions and balances with associated undertakings and joint ventures:

	Three months ended 31 March	
	2013	2012 (restated)
	Revenues	
Gas sales		
Wintershall Erdgas Handelshaus GmbH & Co. KG (WIEH)	34,063	25,006
W & G Beteiligungs-GmbH & Co. KG and its subsidiaries	25,075	17,298
ZAO Panrusgaz	14,129	8,946
AO Gazum	9,808	9,904
AO Moldovagaz	7,032	9,019
Bosphorus Gaz Corporation A.S.	5,629	1,131
Wintershall Erdgas Handelshaus Zug AG (WIEE)*	4,739	8,691
AO Lietuvos dujos	4,381	4,707
ZAO Gazprom YRGM Trading	3,205	3,095
AO Latvijas Gaze	2,329	4,471
ZAO Gazprom YRGM Development	2,289	2,211
Russian-Serbian Trading Corporation a.d.	1,884	1,859
AO Overgaz Inc.	1,251	8,878
PremiumGas S.p.A.	-	3,245

(In millions of Russian Roubles)

23 RELATED PARTIES (continued)

	Three months ended 31 March 2013	Three months ended 31 March 2012 (restated)
	Revenues	
Gas transportation sales		
ZAO Gazprom YRGM Trading	5,544	5,334
ZAO Gazprom YRGM Development	3,960	3,810
Gas condensate, crude oil and refined products sales		
OAO NGK Slavneft and its subsidiaries	7,122	8,592
OOO Gazpromneft – Aero Sheremetyevo	2,314	1,937
OAO Gazprom neftekhim Salavat**	-	5,576
Gas refining services sales		
TOO KazRosGaz	1,445	1,357
	Expenses	
Purchased gas		
W & G Beteiligungs-GmbH & Co. KG and its subsidiaries	21,050	18,581
ZAO Gazprom YRGM Trading	15,389	15,559
ZAO Gazprom YRGM Development	10,993	11,129
TOO KazRosGaz	6,101	8,698
Sakhalin Energy Investment Company Ltd.	1,512	1,103
OOO SeverEnergiya	1,259	-
Purchased transit of gas		
Nord Stream AG	8,200	5,649
W & G Beteiligungs-GmbH & Co. KG and its subsidiaries	3,095	2,660
SGT EuRoPol GAZ S.A.	2,142	2,513
Purchased crude oil and refined products		
OAO NGK Slavneft and its subsidiaries	20,507	24,107
Purchased processing services		
OAO NGK Slavneft and its subsidiaries	3,053	2,486

* 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).

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 31 March 2013		As of 31 December 2012 (restated)	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Short-term accounts receivable and prepayments				
Wintershall Erdgas Handelshaus GmbH & Co.KG (WIEH)	29,979	-	14,406	-
W & G Beteiligungs-GmbH & Co. KG and its subsidiaries	16,593	-	11,420	-
AO Overgaz Inc.	8,126	-	10,000	-
ZAO Panrusgaz	5,026	-	8,134	-
AO Gazum	4,695	-	3,892	-
AO Moldovagaz*	4,419	-	2,348	-
ZAO Gazprom YRGM Trading	3,188	-	1,829	-
Bosphorus Gaz Corporation A.S.	3,131	-	725	
Wintershall Erdgas Handelshaus Zug AG (WIEE)	2,675	-	2,451	-
ZAO Gazprom YRGM Development	2,265	-	1,307	
OAO NGK Slavneft and its subsidiaries	2,137	-	1,701	-
AO Lietuvos dujos	1,990	-	2,212	-
OAO Gazprombank	1,152	-	1,083	-
TOO KazRosGaz	675	-	667	-

(In millions of Russian Roubles)

23 RELATED PARTIES (continued)

	As of 31 March 2013		As of 31 December 2012 (restated)	
	Assets	Liabilities	Assets	Liabilities
Short-term promissory notes				
OAO Gazprombank	119	-	179	-
Cash balances				
OAO Gazprombank	330,037	-	172,154	-
Long-term accounts receivable and prepayments				
W & G Beteiligungs-GmbH & Co. KG and its subsidiaries	15,236	-	15,487	-
Gas Project Development Central Asia AG	1,741	-	1,707	-
Bosphorus Gaz Corporation A.S.	93	-	1,501	-
Long-term promissory notes				
OAO Gazprombank	589	-	599	-
Short-term accounts payable				
W & G Beteiligungs-GmbH & Co. KG and its subsidiaries	-	8,051	-	7,906
GT EuRoPol GAZ S.A.	-	7,212	-	6,565
ZAO Gazprom YRGM Trading	-	7,011	-	8 606
ZAO Gazprom YRGM Development	-	4,563	-	5,704
Nord Stream AG	-	2,712	-	2,892
TOO KazRosGaz	-	2,506	-	2,783
OAO NGK Slavneft and its subsidiaries	-	1,593	-	1,502
OAO Gazprombank	-	371	-	152
Other non-current liabilities				
ZAO Gazprom YRGM Trading	-	1,593	-	1,593
ZAO Gazprom YRGM Development	-	248	-	248
Short-term borrowings (including current portion of long-term borrowings)				
OAO Gazprombank	-	22,232	-	21,666
RosUkrEnergo AG	-	2,874	-	2,248
Wintershall Erdgas Handelshaus GmbH & Co.KG (WIEH)	-	-	-	1,281
Long-term borrowings				
OAO Gazprombank	-	24,634	-	24,569

* Net of impairment provision on accounts receivable in the amount of RR 120,934 and RR 115,573 as of 31 March 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 31 March 2013 is appropriate and all of the Group's material tax, currency and customs positions will be sustainable.

(In millions of Russian Roubles)

24 COMMITMENTS AND CONTINGENCIES (continued)

Financial guarantees

Note		31 March 2013	31 December 2012
	Outstanding guarantees issued on behalf of:		
	Sakhalin Energy Investment Company Ltd.	97,196	94,145
	Nord Stream AG	41,095	40,519
	EM Interfinance Limited	5,331	5,385
	Blackrock Capital Investments Limited	4,651	4,573
	OOO Production Company VIS	7,006	2,507
4	Blue Stream Pipeline Company B.V.	1,045	2,078
	Other	37,868	37,711
		194,192	**186, 918**

Included in financial guarantees are amounts denominated in USD of USD 3,806 million and USD 3,832 million as of 31 March 2013 and 31 December 2012, respectively, as well as amounts denominated in Euro of Euro 1,397 million and Euro 1,340 million as of 31 March 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 31 March 2013 and 31 December 2012 the above guarantee amounted to RR 97,196 (USD 3,127 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 31 March 2013 and 31 December 2012 the above guarantee within the Group’s share in Nord Stream AG obligations to the bank amounted to RR 41,095 (Euro 1,032 million) and RR 40,519 (Euro 1,007 million), respectively.

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 31 March 2013 and 31 December 2012 the guarantees issued on behalf of Blackrock Capital Investments Limited and EM Interfinance Limited amounted to RR 9,982 (USD 321 million) and 9,958 (USD 328 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 31 March 2013 and 31 December 2012 the above guarantee amounted to RR 7,006 and RR 2,507, respectively.

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 31 March 2013 and 31 December 2012, outstanding amounts of these loans were RR 1,045 (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.

25 POST BALANCE SHEET EVENTS

Investments

In May 2013 the Group acquired shares in 72 Gas Distribution Organisations for the consideration of RR 25,862.

In August 2013 the Group won an auction for the acquisition of an 89.98% interest in the ordinary shares of OAO United Moscow Energy Company (OAO MOEC) and heat assets currently leased by OAO MOEC from the Moscow Government for cash consideration of RR 98,620, excluding VAT.

Borrowings and loans

In April 2013 the Group issued loan participation notes in the amount of EURO 750 million at an interest rate of 2.933% due in 2018.

In May 2013 the Group obtained a long-term loan from HSBC plc in the amount of EURO 258 million at an interest rate EURIBOR+1.45% due in 2022.

In June and July 2013 the Group obtained long-term loans from OAO VTB Bank in the amount of USD 250 million and USD 500 million, respectively, at an interest rate of 3.25% due in 2015.

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.

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