

ОАО SIBUR Holding

**International Financial Reporting Standards
Consolidated Interim Condensed Financial Information (unaudited)**

As of and for the three months ended 31 March 2013



Report on Review of Consolidated Interim Condensed Financial Information

To the Shareholders and Board of Directors of OAO SIBUR Holding

Introduction

We have reviewed the accompanying consolidated interim condensed statement of financial position of OAO SIBUR Holding and its subsidiaries (the "Group") as of 31 March 2013 and the related consolidated interim condensed statements of profit or loss, comprehensive income, cash flows and changes in equity for the three month period then ended. Management is responsible for the preparation and presentation of this consolidated interim condensed financial information set out on pages 2 to 27 in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this consolidated interim condensed financial information based on our review.

Scope of Review

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

Conclusion

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

ZAO PricewaterhouseCoopers Audit


14 June 2013

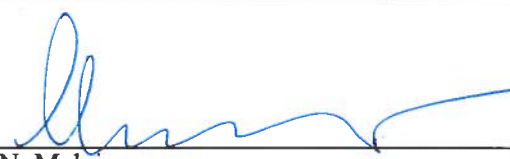
Moscow, Russian Federation

OA SIBUR HOLDING
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)

(In millions of Russian roubles, unless otherwise stated)

Notes		31 March 2013	31 December 2012
	Assets		
	Non-current assets		
5	Property, plant and equipment	216,396	207,655
	Goodwill	9,480	9,480
6	Investments in joint ventures and associates	21,110	17,690
	Deferred income tax assets	11,318	11,105
7	Advances and prepayments for capital construction	45,209	45,692
8	Loans receivable	-	743
9	Trade and other receivables	86	94
10	Other non-current assets	3,238	2,695
	Total non-current assets	306,837	295,154
	Current assets		
11	Inventories	25,684	24,750
9	Trade and other receivables	13,768	15,983
	Prepaid current income tax	1,982	4,222
12	Prepayments and other current assets	13,772	21,464
8	Loans receivable	3,216	1,222
13	Cash and cash equivalents	18,194	13,570
13	Restricted cash	1,765	890
4	Assets classified as held for sale	1,044	1,044
	Total current assets	79,425	83,145
	Total assets	386,262	378,299
	Liabilities and equity		
	Non-current liabilities		
14	Long-term debt	65,329	41,058
15	Grants and subsidies	30,502	30,502
	Deferred income tax liabilities	8,963	10,171
16	Other non-current liabilities	3,886	5,171
	Total non-current liabilities	108,680	86,902
	Current liabilities		
18	Short-term debt and current portion of long-term debt	30,793	54,936
17	Trade and other payables	31,697	36,569
	Income tax payable	1,149	1,560
19	Taxes other than income tax payable	2,553	2,576
	Total current liabilities	66,192	95,641
	Total liabilities	174,872	182,543
20	Equity		
	Ordinary share capital	21,784	21,784
	Share premium	9,357	9,357
	Retained earnings	179,235	163,624
	Total equity attributable to the Group's shareholders	210,376	194,765
	Non-controlling interest	1,014	991
	Total equity	211,390	195,756
	Total liabilities and equity	386,262	378,299


V.V. Razumov
Acting Chief Executive Officer
14 June 2013


P.N. Malyi
Chief Financial Officer
14 June 2013

The accompanying notes on pages 7 to 27 are an integral part of this consolidated interim condensed financial information.

ОАО СИБУР ХОЛДИНГ
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
(In millions of Russian roubles, unless otherwise stated)

Notes	Three months ended 31 March		
	2013	2012	
	Continuing operations		
21	Revenue	66,184	71,597
22	Operating expenses	(48,435)	(50,780)
	Operating profit	17,749	20,817
23	Finance income	388	5,335
23	Finance expenses	(2,350)	(840)
3	Gain on deconsolidation/acquisition of a subsidiary	2,413	430
	Share of net income/(loss) of joint ventures	277	(66)
	Profit before income tax from continuing operations	18,477	25,676
24	Income tax expense	(2,843)	(4,164)
	Profit from continuing operations	15,634	21,512
	Discontinued operations		
4	Loss from disposal of the Amtel Group assets	-	(315)
	Profit for the reporting period, including attributable to:	15,634	21,197
	Non-controlling interest from continuing operations	23	64
	Shareholders of the parent company	15,611	21,133
	Basic and diluted earnings per share (in RR per share)		
	- From continuing operations	7.2	9.7
	- From discontinued operations	-	(0.1)
20	Weighted average number of shares outstanding (in thousands)	2,178,479	2,178,479

The accompanying notes on pages 7 to 27 are an integral part of this consolidated interim condensed financial information.

OA SIBUR HOLDING
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)

(In millions of Russian roubles, unless otherwise stated)

	Three months ended 31 March	
	2013	2012
Profit for the reporting period from continuing operations	15,634	21,512
Profit for the reporting period	15,634	21,197
Total comprehensive income for the reporting period from continuing operations	15,634	21,512
Total comprehensive income for the reporting period, including attributable to:	15,634	21,197
Non-controlling interest from continuing operations	23	64
Shareholders of the parent company from continuing operations	15,611	21,133

The accompanying notes on pages 7 to 27 are an integral part of this consolidated interim condensed financial information.

ОАО СИБУР HOLDING
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
(In millions of Russian roubles, unless otherwise stated)

Notes	Three months ended 31 March		
	2013	2012	
	Operating activities		
	Cash from operating activities of continuing operations before		
25			
	income tax payment	25,318	24,859
24, 25	Income tax paid from continuing operations	(2,213)	(3,010)
25	Net cash from operating activities of continuing operations	23,105	21,849
	Investing activities		
	Purchase of property, plant and equipment	(21,507)	(11,884)
	Loans issued	(73)	(1,231)
13	Restricted cash for capital construction	(875)	-
	Repayment of loans and notes receivable	121	410
	Proceeds from sale of property, plant and equipment	577	355
6	Acquisition of interest in joint ventures	(500)	-
3	Acquisition of interest in subsidiaries, net of cash acquired	-	62
	(Increase)/decrease in other non-current assets, net	(127)	130
	Cash used in investing activities of continuing operations	(22,384)	(12,158)
4	Cash from investing activities of discontinued operations	-	13,673
	Net cash (used in)/from investing activities	(22,384)	1,515
	Financing activities		
	Proceeds from long-term debt	30,628	3,574
	Repayment of long-term debt	(1,019)	(1,379)
	Proceeds from short-term debt	-	3,142
	Repayment of short-term debt	(24,770)	(15,278)
	Interest received	253	285
	Repayment of promissory notes	-	(1,427)
	Interest paid	(1,001)	(1,007)
	Payment of bank fees	(95)	-
	Other	-	(174)
	Cash received from/(used in) financing activities of continuing operations	3,996	(12,264)
	Effect of exchange rate changes on cash and cash equivalents	(93)	(349)
	Net increase in cash and cash equivalents	4,624	10,751
	Cash and cash equivalents, at the beginning of the reporting period	13,570	14,971
	Cash and cash equivalents, at the end of the reporting period	18,194	25,722

The accompanying notes on pages 7 to 27 are an integral part of this consolidated interim condensed financial information.

OAO SIBUR HOLDING
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)
(In millions of Russian roubles, unless otherwise stated)

Notes	Attributable to the Group's shareholders					Non-control- ling interest	Total equity
	Share capital	Treasury shares	Share premium	Retained earnings	Total		
Balance as of 31 December 2011	43,570	(72,374)	9,357	183,358	163,911	1,423	165,334
Total comprehensive income for the reporting period	-	-	-	21,133	21,133	64	21,197
Treasury shares cancellation	(21,786)	72,374	-	(50,588)	-	-	-
Balance as of 31 March 2012	21,784	-	9,357	153,903	185,044	1,487	186,531
Balance as of 31 December 2012	21,784	-	9,357	163,624	194,765	991	195,756
Total comprehensive income for the reporting period	-	-	-	15,611	15,611	23	15,634
Balance as of 31 March 2013	21,784	-	9,357	179,235	210,376	1,014	211,390

The accompanying notes on pages 7 to 27 are an integral part of this consolidated interim condensed financial information.

1 NATURE OF OPERATIONS

ОАО СИБУР Holding (the “Company”) and its subsidiaries (together referred to as the “Group”) form a vertically integrated gas processing and petrochemicals business. The Group purchases and processes raw materials (primarily associated petroleum gas and natural gas liquids), and produces and markets energy and petrochemical products domestically and internationally.

The Group’s overall sales have no material exposure to seasonal factors. The Group’s production facilities are located in the Russian Federation.

From June 2008 until September 2011, Non-State Pension Fund Gazfund through ОАО Gazprombank was the Group’s ultimate parent.

Since September 2011, Mr. Leonid V. Mikhelson has been the ultimate controlling shareholder of the Group. ОАО СИБУР Holding’s parent company is Sibur Limited.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation. This consolidated interim condensed financial information has been prepared in accordance with International Accounting Standard No. 34 *Interim Financial Reporting* (IAS 34). This consolidated interim condensed financial information should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2012, prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations.

Most of the Group’s companies maintain their accounting records in Russian roubles (RR) and prepare their statutory financial statements in accordance with the Regulations on Accounting and Reporting of the Russian Federation (RAR). The consolidated interim condensed financial information is based on the statutory records of Group companies, with adjustments and reclassifications recorded to ensure fair presentation in accordance with IFRS.

The principal accounting policies applied by the Group are consistent with those disclosed in the Group’s consolidated financial statements for the year ended 31 December 2012, except for income tax expense recognised based on the Group management’s best estimate of the weighted average annual income tax rate expected for the full financial year (Note 24).

Joint venture established as a result of loss of control of a subsidiary. Starting with the consolidated interim condensed financial information for three months ended 31 March 2013 due to deconsolidation of ООО Yuragazpererabotka (Note 3) the Group adopted a policy for the accounting for a joint venture established as a result of a loss of control of a subsidiary. When the Group ceases to have control of a subsidiary but retains joint control over that entity, the assets and liabilities of the subsidiary are deconsolidated from the date that control ceases. When there is no contribution of new assets, the retained interest in the entity is measured as the Group’s retained interest of the net book value of the former subsidiary. The gain or loss attributable to the other equity holders is recognised in profit or loss.

Changes in accounting policies. Starting with the consolidated interim condensed financial information for three months ended 31 March 2013, the Group has adopted IFRS 11 *Joint Arrangement* (issued in May 2011 and effective for annual periods beginning on or after 1 January 2013). Changes in the definitions have reduced the number of types of joint arrangements to two: joint operations and joint ventures. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures which will continue to be accounted for under the equity method of accounting.

3 ACQUISITION AND DECONSOLIDATION OF SUBSIDIARIES

Deconsolidation of OOO Yugragazpererabotka. In March 2013, the Group and TNK-BP Group signed several agreements regarding their joint venture OOO Yugragazpererabotka. Under these agreements, the duration of the joint venture arrangement, which was previously set to expire in 2016, has become indefinite and the call options that had entitled the Group to purchase TNK-BP's share in OOO Yugragazpererabotka have been terminated. Therefore, from 12 March 2013, the Group started accounting for its investment in OOO Yugragazpererabotka in accordance with IFRS 11 *Joint Arrangements* in its financial statements as opposed to the previously used approach, where OOO Yugragazpererabotka was consolidated as a wholly owned subsidiary of the Group and TNK-BP's contribution was accounted for as interest-bearing long-term loans.

Carrying amounts of assets and liabilities at the deconsolidation date are summarised in the table below:

	Carrying amounts
Property, plant and equipment (Note 5)	7,692
Deferred income tax asset	91
Inventory	558
Cash and cash equivalents	1
Trade and other receivables	1,262
Other assets	404
Loans and borrowings	(2,602)
Trade and other payables	(1,800)
Other liabilities	(117)
Deferred income tax liabilities	(313)
Net assets deconsolidated	5,176

The post-tax gain recognized on deconsolidation of OOO Yugragazpererabotka included in gain on deconsolidation/acquisition of a subsidiary in the consolidated interim condensed statement of profit or loss, was calculated as follows:

Income from derecognition of TNK-BP's share previously recognised as long-term debt	4,949
Share of net assets recognised as investment in joint venture (based on net assets of RR 5,176 and 51 percent of ownership)	2,640
Total income from deconsolidation of subsidiary	7,589
Less: Net assets deconsolidated	(5,176)
Post-tax gain on deconsolidation of subsidiary	2,413

As a result, OOO Yugragazpererabotka became a related party of the Group as of 31 March 2013 (Note 28).

Deconsolidation of OOO Yugragazpererabotka did not have an impact on the Company's investing cash flows for the reporting period.

Acquisition of OOO Biaxplen. On 29 March 2012, the Group finalised the acquisition of control over OOO Biaxplen, a BOPP-film producer, by acquiring an additional 50 percent stake for RR 1,200 and, as a result, increased the Group's ownership to 100 percent. The acquisition was made to strengthen the Group's position on the growing Russian BOPP-film market as OOO Biaxplen is one of the largest BOPP-film manufacturers in Russia.

3 ACQUISITION AND DECONSOLIDATION OF SUBSIDIARIES (CONTINUED)

Details of the assets and liabilities acquired are as follows:

	Fair values
Property, plant and equipment (Note 5)	5,183
Intangible assets	680
Deferred income tax assets	447
Other non-current assets	6
Inventories	857
Trade and other receivables	1,294
Loans receivable	71
Cash and cash equivalents	62
Other current assets	29
Deferred income tax liabilities	(656)
Trade and other payables	(1,279)
Short-term and long-term debt	(7,047)
Other non-current liabilities	(30)
Net assets of the acquired subsidiary	(383)
Less:	
Fair value of interest previously held	1,200
Total purchase consideration	1,200
Goodwill arising on acquisition	2,783

The acquired subsidiary did not contribute any significant revenue, gain or loss to the Group for the period from the acquisition date to 31 March 2012. If the acquisition had occurred on 1 January 2012, Group revenue and profit from continuing operations for the three months ended 31 March 2012 would have been RR 73,628 and RR 21,892, respectively.

As of the acquisition date, the Group remeasured its previously held interest in OOO Biaxplen at fair value. As a result, a RR 430 gain was recognised in the consolidated interim condensed statement of profit or loss.

The Group's management believes that the acquired goodwill of RR 2,783 relates mostly to expected cost savings, utilisation of the Group's feedstock advantage, and strengthening of its competitive position through access to end customers on the growing Russian BOPP-film market.

Total purchase consideration	1,200
Cash and cash equivalents of the subsidiary acquired	62
Less: Accounts payable for acquisition of a subsidiary	(1,200)
Inflow of cash and cash equivalents on acquisition	62

4 DISCONTINUED OPERATIONS AND ASSETS CLASSIFIED AS HELD FOR SALE

Disposal of Mineral Fertilizers business and Amtel Group assets. In December 2011, the Group disposed of its Mineral Fertilizers business.

During the period from August to November 2011, the Group acquired the Amtel Group's subsidiary, OAO Kirov Tyre Plant, and essentially all of the assets of the Voronezh tyre plant in the course of bankruptcy. In December 2011, the Group sold its subsidiary, OAO Kirov Tyre Plant, which owned the Kirov Tyre plant's assets. In February 2012, the Group sold its newly formed subsidiary, ZAO Voronezh Tyre Plant, which owned the Voronezh tyre plant's assets and was classified within assets held for sale as of 31 December 2011.

OAO SIBUR HOLDING
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED)
(In millions of Russian roubles, unless otherwise stated)

4 DISCONTINUED OPERATIONS AND ASSETS CLASSIFIED AS HELD FOR SALE
(CONTINUED)

Cash from investing activities of discontinued operations, recorded in the consolidated interim condensed statement of cash flows for the three months ended 31 March 2012, includes RR 5,984 for OAO Kirov Tyre Plant and ZAO Voronezh Tyre Plant from OOO E-Volution Tyre, a joint venture of the Pirelli Group and Rostekhnologii, as sale consideration, and RR 7,689 in settlement of remaining part of receivables from the buyers of the Group's Mineral Fertilizers business net of related income tax of RR 900.

The post-tax loss recognised on the disposal of ZAO Voronezh Tyre Plant and included as a loss from discontinued operations in the consolidated interim condensed statement of profit or loss was calculated as follows:

Total consideration	3,641
Less: net assets disposed	3,956
Post-tax loss on disposal of ZAO Voronezh Tyre Plant	(315)

Assets classified as held for sale. As of 31 March 2013 and 31 December 2012, assets classified as held for sale included a number of construction projects worth RR 1,044 and RR 1,044, respectively. The Group plans to sell property, plant and equipment items classified as assets held for sale as of 31 March 2013 within 12 months.

5 PROPERTY, PLANT AND EQUIPMENT

Movements in the net book value of property, plant and equipment were as follows:

	Buildings	Facilities	Machinery and equipment	Transport	Assets under construction	Other	Total
Net book value							
as of 31 December 2011	18,334	28,138	31,224	7,497	63,598	2,385	151,176
Depreciation charge	(177)	(690)	(1,082)	(186)	-	(54)	(2,189)
Additions	10	1	10	-	9,301	95	9,417
Acquisition of subsidiaries (Note 4)	2,364	268	2,452	14	16	69	5,183
Reclassifications	9	987	(388)	(3)	-	(605)	-
Transfers	100	1,286	278	24	(1,747)	59	-
Disposals	(20)	(19)	(47)	(5)	(360)	(67)	(518)
Reclassification to assets held for sale (Note 4)	-	(585)	-	-	(459)	-	(1,044)
Historical cost							
as of 31 March 2012	26,967	41,585	53,598	10,498	70,349	2,610	205,607
Accumulated depreciation	(6,347)	(12,199)	(21,151)	(3,157)	-	(728)	(43,582)
Net book value							
as of 31 March 2012	20,620	29,386	32,447	7,341	70,349	1,882	162,025
Net book value							
as of 31 December 2012	23,553	38,814	37,813	6,958	96,725	3,792	207,655
Depreciation charge	(201)	(900)	(1,525)	(169)	-	(62)	(2,857)
Additions	5	11	10	-	19,160	694	19,880
Transfers	36	148	371	21	(587)	11	-
Impairment	(132)	(32)	(13)	(4)	-	-	(181)
Deconsolidation of subsidiary (Note 3)	(1,203)	(3,008)	(2,948)	(1)	(386)	(146)	(7,692)
Disposals	(105)	(14)	(79)	(3)	(208)	-	(409)
Historical cost							
as of 31 March 2013	28,266	48,937	58,202	10,409	114,704	5,156	265,674
Accumulated depreciation	(6,313)	(13,918)	(24,573)	(3,607)	-	(867)	(49,278)
Net book value							
as of 31 March 2013	21,953	35,019	33,629	6,802	114,704	4,289	216,396

5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

For the three months ended 31 March 2013 and 2012, the Group capitalised borrowing costs of RR 1,284 and RR 642. Borrowings costs included RR 404 and RR nil of foreign exchange loss from financing activities for the three months ended 31 March 2013 and 2012. The capitalisation rates were 3.51 percent and 5.52 percent, respectively.

During the three months ended 31 March 2013, the Group recognised a RR 181 impairment loss for chlorine and caustic soda production assets in Dzerzhinsk, Nizhny Novgorod Region (Petrochemicals segment). The recoverable amount of assets was determined based on its fair value less cost to sell. Fair value was determined based on the market price.

6 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

	31 March 2013	31 December 2012
ООО RusVinyl	14,247	13,712
ООО NPP Neftekhimia	3,743	3,504
ООО Yugragazpererabotka (Note 3)	2,640	-
ООО ITSK	302	296
Reliance Sibur Elastomers Private Limited	169	169
ООО Yuzhno-Priobsky GPZ	7	7
Other	2	2
Total investments in joint ventures and associates	21,110	17,690

ООО RusVinyl. In June 2007, the Group formed a joint venture with SolVin Holding Nederland B.V. (ultimately controlled by Solvay SA) for the construction of a polyvinyl chloride production complex in the Nizhny Novgorod Region. In March 2013, the Group and SolVin Holding Nederland B.V. each additionally contributed RR 500 to the share capital of ООО RusVinyl; the Group's ownership share remained unchanged.

The Group has issued a finance guarantee for 50 percent of a loan obtained by ООО RusVinyl. As of 31 March 2013 and 31 December 2012, the maximum credit risk exposure due to financial guarantees issued for the ООО RusVinyl loan was RR 11,673 and RR 10,917, respectively.

The table below summarises information about the Group's major investments in joint ventures and associates.

	Country of incorporation	Nature of operations	Interest held, percent, as of	
			31 March 2013	31 December 2012
ООО Yugragazpererabotka (Note 3, 27)	Russia	Associated petroleum gas processing	51	-
ООО RusVinyl*	Russia	Polyvinyl chloride production	50	50
ООО NPP Neftekhimia	Russia	Polypropylene production	50	50
ООО ITSK	Russia	IT and metrology services	50	50
Reliance Sibur Elastomers Private Limited*	India	Butyl rubber production	25	25
ООО Yuzhno-Priobsky GPZ*	Russia	Associated petroleum gas processing	50	50

* investment projects

7 ADVANCES AND PREPAYMENTS FOR CAPITAL CONSTRUCTION

As of 31 March 2013 and 31 December 2012, the most significant advances and prepayments for capital construction were paid to the Group's contractors for the construction of: a polypropylene plant in Tobolsk, Tyumen Region; a natural gas liquids pipeline connecting the Purovsky gas condensate plant, the Yuzhno-Balykskaya main pumping station and the Tobolsk production site in the Tyumen Region; and gas infrastructure assets in the St Petersburg area. The Group's most significant advances and prepayments related to capital construction projects were paid to the following contractors: LINDE-KCA-DRESDEN GmbH, Tecnimont S.p.A., ООО Tecnimont Russia, MAVEG GmbH, ООО Gazprom Mezhrefiongaz, ОАО ChelPipe, TECHNIP BENELUX B.V., ООО NPA Vira Realltime, ООО NGSK (Surgut), ОАО Promstroy, Bruckner Maschinenbau GmbH & Co. KG and ЗАО Stroytransgaz.

8 LOANS RECEIVABLE

	31 March 2013	31 December 2012
ООО Yuzhno-Priobskiy GPZ	1,730	1,661
ООО Yugragazpererabotka	1,299	-
ЗАО Edas Pak	180	180
Other	7	124
Total loans receivable	3,216	1,965
Less: non-current portion	-	(743)
	3,216	1,222

9 TRADE AND OTHER RECEIVABLES

	31 March 2013	31 December 2012
Trade receivables (net of impairment provisions of RR 324 and RR 327 as of 31 March 2013 and 31 December 2012, respectively)	12,439	14,614
Other receivables (net of impairment provisions of RR 17 and RR 18 as of 31 March 2013 and 31 December 2012, respectively)	1,415	1,463
Total trade and other receivables	13,854	16,077
Less non-current portion: other receivables	(86)	(94)
	13,768	15,983

Fair value of trade receivables is approximate to it's carrying value.

10 OTHER NON-CURRENT ASSETS

	31 March 2013	31 December 2012
Intangible assets	1,844	1,515
Raw natural gas liquids in pipelines	471	494
Prepayments and advances to suppliers	285	-
Recoverable VAT related to assets under construction	145	137
Other	493	549
Total other non-current assets	3,238	2,695

OAO SIBUR HOLDING
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED)

(In millions of Russian roubles, unless otherwise stated)

11 INVENTORIES

	31 March 2013	31 December 2012
Refined products and work in progress (net of impairment provisions of RR 42 and RR 93 as of 31 March 2013 and 31 December 2012, respectively)	16,716	14,728
Materials and supplies (net of impairment provisions of RR 245 and RR 259 as of 31 March 2013 and 31 December 2012, respectively)	8,159	9,467
Goods for resale (net of impairment provisions of RR 10 and RR 11 as of 31 March 2013 and 31 December 2012, respectively)	809	555
Total inventories	25,684	24,750

12 PREPAYMENTS AND OTHER CURRENT ASSETS

	31 March 2013	31 December 2012
Non-financial assets		
VAT receivable	5,869	8,201
Recoverable VAT	3,894	4,460
Prepayments and advances to suppliers	2,557	4,323
Other prepaid taxes	1,148	1,755
Recoverable excise	387	300
Prepaid borrowing cost	-	2,371
Other current assets	62	191
Total prepayments and other current assets	13,917	21,601
Less:		
Non-current portion of recoverable VAT related to assets under construction	(145)	(137)
	13,772	21,464

13 CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents include deposits held with banks, which are readily convertible to cash and have an original maturity of less than three months, of RR 15,585 and RR 5,127 as of 31 March 2013 and 31 December 2012, respectively.

Restricted cash included OAO Vnesheconombank letters of credit worth RR 1,765 and RR 890 as of 31 March 2013 and 31 December 2012, respectively. The letters of credit were opened to finance capital expenditures for the construction of a polypropylene plant in Tobolsk.

14 LONG-TERM DEBT

Long-term debt payable to	Currency	Due	31 March 2013	31 December 2012
<u>Variable rate</u>				
OAO Vnesheconombank	USD	2013-2023	15,499	17,844
OAO Nordea Bank	USD	2013-2016	9,001	10,609
OAO Rosbank AKB	USD	2013	4,663	4,556
HSBC Bank plc	USD	2013-2014	4,663	4,556
ING Bank Group	EUR, USD	2008-2021	1,325	1,404
UniCredit Bank	EUR	2013-2019	835	909
<u>Fixed rate</u>				
Eurobonds	USD	2018	30,913	-
OAO Sberbank of Russia	RR	2012-2014	11,571	12,857
TNK-BP Group	RR, USD	2013-2017	-	4,485
OOO Gazprom				
Mezhregiongaz	RR	2011-2014	2,161	2,085
OOO NPP Neftekhimia	RR	2015	875	625
Other	USD	2012-2013	14	13
Total long-term debt			81,520	59,943
Less: current portion			(16,191)	(18,885)
			65,329	41,058

14 LONG-TERM DEBT (CONTINUED)

Eurobonds. On 31 January 2013, the Group issued notes worth USD 1 billion on the Irish Stock Exchange, bearing 3.914 percent annual interest and maturing in 2018. The Group used the aggregate net proceeds from the notes issue for refinancing of short-term debt and general corporate purposes.

Long-term RR-denominated debt bore average interest rates of 7.5 percent and 7.4 percent as of 31 March 2013 and 31 December 2012, respectively. Long-term USD-denominated debt bore average interest rates of 3.8 percent and 3.6 percent as of 31 March 2013 and 31 December 2012, respectively. Long-term EUR-denominated debt bore average interest rates of 1.7 percent and 1.8 percent as of 31 March 2013 and 31 December 2012, respectively.

The scheduled maturities of long-term debt as of 31 March 2013 and 2012 are presented below:

	31 March 2013	31 December 2012
Due for repayment:		
Between one and two years	14,387	15,175
Between two and five years	42,583	12,679
After five years	8,359	13,204
Total long-term debt	65,329	41,058

The carrying amounts of long-term fixed-rate loans approximate their fair value. Other long-term debt has variable interest rates linked to LIBOR or EURIBOR, and the carrying amounts approximate their fair value. The Group had no subordinated debt and no debt that may be converted into an equity interest in the Group.

As of 31 March 2013 and 31 December 2012, the Group had the following committed long-term credit facilities:

	Credit limit	Undrawn amount
As of 31 March 2013		
EUR-denominated (in millions of EUR)	63	51
USD-denominated (in millions of USD)	5	-
RR-denominated (in millions of RR)	33,000	24,000
As of 31 December 2012		
EUR-denominated (in millions of EUR)	14	2
USD-denominated (in millions of USD)	1,425	762
RR-denominated (in millions of RR)	27,000	18,000

As of 31 March 2013 and 31 December 2012, the total rouble equivalent of the Group's undrawn committed long-term credit facilities was RR 26,044 and RR 41,224, respectively.

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15 GRANTS AND SUBSIDIES

As a major investor in infrastructure and social projects in the regions where it operates, the Group has signed cooperation agreements with a number of regional authorities, including investment and financial support agreements, under which the Group is entitled to a partial refund of capital expenditures incurred in the respective regions subject to certain conditions, including amounts of regional investments in business and social infrastructure and local income taxes paid. Such refunds are made after supporting documents have been submitted to the relevant authority either in the form of an income tax rebate or a direct grant of public funds.

	2013	2012
Balance as of 1 January	31,080	20,249
Less: current portion	(578)	(700)
Non-current portion of grants and subsidies as of 1 January	30,502	19,549
Grants and subsidies received	-	-
Recognised in profit or loss	-	(193)
Balance as of 31 March	31,080	20,056
Less: current portion	(578)	(507)
Non-current portion of grants and subsidies as of 31 March	30,502	19,549

16 OTHER NON-CURRENT LIABILITIES

	31 March 2013	31 December 2012
Financial liabilities		
Payables for acquisition of subsidiaries	1,591	1,375
Promissory notes payable	5	568
Interest payable	-	1,665
Total financial non-current liabilities	1,596	3,608
Non-financial liabilities		
Post-employment obligations	1,562	1,562
Payables to employees	727	-
Other liabilities	1	1
Total non-financial non-current liabilities	2,290	1,563
Total other non-current liabilities	3,886	5,171

As of 31 March 2013 and 31 December 2012, payables for the acquisition of subsidiaries included payables for the acquisition of OAO Polief of RR 1,591 and RR 1,375 respectively.

The carrying amounts of other non-current liabilities approximate their fair value.

As of 31 March 2013 and 31 December 2012, payables to employees included in other non-current liabilities were comprised of the long-term portion of provisions for bonuses (including provisions for social taxes) of RR 727 and RR nil, respectively.

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17 TRADE AND OTHER PAYABLES

	31 March 2013	31 December 2012
Financial liabilities		
Accounts payable to contractors and suppliers of property, plant and equipment	9,213	12,565
Trade payables	9,032	8,947
Payables for acquisition of subsidiaries	1,632	1,730
Promissory notes payable	607	2
Interest payable	413	521
Other payables	1	61
Total financial trade and other payables	20,898	23,826
Non-financial liabilities		
Payables to employees	7,250	5,800
Advances from customers	2,571	6,270
Other payables	400	95
Current portion of grants and subsidies	578	578
Total non-financial trade and other payables	10,799	12,743
Total trade and other payables	31,697	36,569

As of 31 March 2013 and 31 December 2012, payables to employees included provisions for annual bonuses, other bonuses and vacation reserves (including provisions for social taxes) of RR 6,545 and RR 5,770, respectively.

As of 31 March 2013, payables for the acquisition of subsidiaries included payables for the acquisitions of OAO Polief of RR 119, and OOO Biaxplen NK of RR 1,513. As of 31 December 2012, payables for the acquisition of OAO Polief and OOO Biaxplen NK were RR 119 and RR 1,611, respectively.

18 SHORT-TERM DEBT AND CURRENT PORTION OF LONG-TERM DEBT

	31 March 2013	31 December 2012
Short-term debt:		
RR-denominated debt	200	200
USD-denominated debt	14,402	35,851
Total short-term debt	14,602	36,051
Current portion of long-term debt	16,191	18,885
	30,793	54,936

Short-term USD-denominated debt bore average interest rates of 2.3 percent and 2.0 percent as of 31 March 2013 and 31 December 2012, respectively.

The carrying amounts of short-term debt approximate their fair value.

As of 31 March 2013 and 31 December 2012, the Group had no committed short-term credit facilities.

19 TAXES OTHER THAN INCOME TAX PAYABLE

	31 March 2013	31 December 2012
VAT	1,391	1,386
Property tax	462	723
Social taxes	455	284
Other taxes	245	183
Total taxes other than income tax payable	2,553	2,576

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20 SHAREHOLDERS' EQUITY

Share capital. The share capital of OAO SIBUR Holding (authorised, issued and paid-in) was RR 21,784 as of 31 March 2013 and 31 December 2012, and consisted of 2,178,479,100 ordinary shares, each with a par value of ten Russian roubles.

Dividends. No dividends were accrued and paid during the three months ended 31 March 2013 and 31 March 2012.

Earnings per share. The basic and diluted earnings per share ratio has been calculated by dividing the profit for the reporting period attributable to equity holders by the weighted average number of shares outstanding during the period, excluding treasury shares.

21 REVENUE

	Three months ended 31 March	
	2013	2012
Energy products:		
Liquefied petroleum gas	13,090	13,467
Natural gas	7,230	6,111
Naphtha	6,064	6,954
MTBE	5,571	4,422
Natural gas liquids	2,093	788
Other fuels and fuel additives	798	860
Petrochemical products:		
Plastics and organic synthesis products	9,563	8,295
Synthetic rubbers	8,566	12,564
Intermediates and other chemicals	5,193	6,058
Basic polymers	5,004	6,187
Total energy and petrochemical products (net of excise tax, custom duties and VAT)	63,172	65,706
Sales of processing services	1,349	1,198
Trading and other sales	1,663	4,693
Total revenue	66,184	71,597

22 OPERATING EXPENSES

	Three months ended 31 March	
	2013	2012
Feedstock and materials	17,279	13,762
Transportation and logistics	9,552	9,377
Energy and utilities	7,761	7,584
Staff costs	6,978	6,452
Depreciation and amortisation	2,575	2,243
Repairs and maintenance	1,397	1,222
Rent expenses	1,345	951
Goods for resale	1,311	5,028
Services provided by third parties	1,184	1,423
Taxes other than income tax	419	408
Charity and sponsorship	276	210
Impairment of property, plant and equipment	181	-
Marketing and advertising	50	82
Gain on disposal of property, plant and equipment	(340)	(97)
Other	456	1,028
Change in WIP and refined products balances	(1,989)	1,107
Total operating expenses	48,435	50,780

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23 FINANCE INCOME AND EXPENSES

	Three months ended 31 March	
	2013	2012
Foreign exchange gain from financing activities	-	3,695
Foreign exchange gain from non-financing activities	22	-
Unwinding of discount on loans receivable and non-current accounts receivable	-	685
Interest income	288	585
Fair value gain on listed equity securities held for trading	-	241
Fair value gain on derivative financial instruments	-	53
Discount on loans and borrowings	-	24
Other income	78	52
Total finance income	388	5,335
Foreign exchange loss from financing activities	(1,659)	-
Foreign exchange loss from non-financing activities	-	(437)
Interest expense	(416)	(403)
Unwinding of discount on borrowings and non-current accounts payable	(275)	-
Total finance expenses	(2,350)	(840)

24 INCOME TAXES

The Group incurred current income tax of RR 4,042 and RR 5,403 for the three months ended 31 March 2013 and 31 March 2012, respectively.

The Group paid current income tax of RR 2,213 and RR 3,910 for the three months ended 31 March 2013 and 31 March 2012, respectively.

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year adjusted for non-recurring items.

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25 CASH GENERATED FROM OPERATIONS

Notes	Three months ended 31 March	
	2013	2012
	18,477	25,676
	18,477	25,676
22	2,575	2,243
17	1,502	1,277
23	416	403
	(277)	66
	-	(24)
	(340)	(97)
	(2,413)	-
	275	-
	181	-
23	-	(241)
23	-	(53)
3	-	(430)
23	(288)	(585)
23	-	(685)
23	1,659	(3,695)
23	(22)	437
	58	110
	21,803	24,402
	21,803	24,402
	2,273	(1,238)
	4,547	362
	(1,300)	453
	(1,941)	(619)
	(64)	1,499
	25,318	24,859
	(2,213)	(3,010)
	23,105	21,849

26 SEGMENT INFORMATION

The Group operates as a vertically integrated business, gathering and processing hydrocarbon feedstock, which it obtains from major Russian oil and gas companies, and producing and selling energy products as well as a wide range of petrochemical products.

The Group's chief operating decision-makers are the chief executive officer, two executive directors and the chief financial officer. These executives review the Group's internal reporting in order to assess performance and allocate resources.

The Group's management has determined two operating and reportable segments:

- Feedstock & Energy – processing of associated petroleum gas and other hydrocarbon feedstock to produce energy products, including natural gas, raw natural gas liquids and naphtha, which are marketed and sold externally and are also used as feedstock by the Petrochemicals segment. In addition, the Feedstock & Energy segment produces fuel additives, including methyl tertiary butyl ether (MTBE), 100% of which is sold externally; and
- Petrochemicals – the production of basic polymers, synthetic rubbers, plastics, organic synthesis products and other petrochemical products.

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26 SEGMENT INFORMATION (CONTINUED)

The Group's management assesses the performance of each operating segment based on their respective EBITDA contributions. The revenues and expenses of some of the Group's subsidiaries, which primarily provide energy supply, transportation, processing, managerial and other services to other Group entities, are not allocated into the operating segments. Other information provided to management, except as noted below, is measured in a manner consistent with that in this consolidated interim condensed financial information.

	Feedstock & Energy	Petrochemicals	Total reportable segments	Unallocated	Total
Three months ended 31 March 2013					
Total segment revenue	43,389	31,591	74,980	3,207	78,187
Inter-segment transfers	(7,898)	(2,103)	(10,001)	(2,002)	(12,003)
External revenue	35,491	29,488	64,979	1,205	66,184
EBITDA	18,354	3,881	22,235	(1,730)	20,505
Three months ended 31 March 2012					
Total segment revenue	41,890	35,468	77,358	6,695	84,053
Inter-segment transfers	(8,458)	(2,104)	(10,562)	(1,894)	(12,456)
External revenue	33,432	33,364	66,796	4,801	71,597
EBITDA	20,239	6,037	26,276	(3,216)	23,060

A reconciliation of EBITDA to profit before income tax is provided as follows:

	Feedstock & Energy	Petrochemicals	Total reportable segments	Unallocated	Total
Three months ended 31 March 2013					
EBITDA	18,354	3,881	22,235	(1,730)	20,505
Depreciation and amortisation	(1,253)	(1,114)	(2,367)	(208)	(2,575)
Impairment of property, plant and equipment	-	(181)	(181)	-	(181)
Operating profit	17,101	2,586	19,687	(1,938)	17,749
Finance income	-	-	-	388	388
Finance expenses	-	-	-	(2,350)	(2,350)
Gain on deconsolidation of subsidiaries	-	-	-	2,413	2,413
Share of net income of joint ventures and associates	-	-	-	277	277
Total profit/(loss) before income tax	17,101	2,586	19,687	(1,210)	18,477
Three months ended 31 March 2012					
EBITDA	20,239	6,037	26,276	(3,216)	23,060
Depreciation and amortisation	(923)	(1,040)	(1,963)	(280)	(2,243)
Operating profit	19,316	4,997	24,313	(3,496)	20,817
Finance income	-	-	-	5,335	5,335
Finance expenses	-	-	-	(840)	(840)
Gain on acquisition of a subsidiary	-	-	-	430	430
Share of net loss of joint ventures	-	-	-	(66)	(66)
Profit before income tax from continuing operations	19,316	4,997	24,313	1,363	25,676

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26 SEGMENT INFORMATION (CONTINUED)

Geographical information. All of the Group's production facilities are located in the Russian Federation.

The breakdown of revenues by geographical regions is as follows:

	Three months ended 31 March	
	2013	2012
Russia	39,207	35,608
Europe	17,193	22,880
Asia	5,405	8,464
CIS	3,614	3,336
Other	765	1,309
Total revenue	66,184	71,597

The Group's sales in Europe are mainly to the following countries: Switzerland, Austria, Poland, France, the Netherlands, Greece, Hungary, Germany, Finland, and the Czech Republic. Sales in Asia are mainly to the following countries and territories: China, Turkey, the United Arab Emirates, Hong Kong, Taiwan, Korea, Singapore, and India. Sales in the CIS are mainly to the following countries: Ukraine, Belarus, Kazakhstan, and Moldova.

27 PRINCIPAL SUBSIDIARIES

Principal wholly owned operating subsidiaries of the Group

OAo SIBUR-Neftekhim	OAo Krasnoyarskiy ZSK
OAo SIBUR-PETF	ZAO SIBUR-Khimprom
SIBUR International GmbH	ZAO SIBUR-Trans
OOO Togliattikauchuk	OOO Tomskneftekhim
OOO Tobolsk-Neftekhim	OOO Biaxplen NK*
OAo SIBUR TyumenGaz	OOO Biaxplen (from 29 March 2012)
OOO SIBUR GEOSINT	OAo Plastic
OOO Orton (formerly KOAO Orton)**	OAo Voronezhsintezkauchuk
OAo Uralorgsintez	

* OOO Biaxplen NK merged with OOO Biaxplen in January 2013

** OOO Orton merged with OOO SIBUR GEOSINT in March 2013

Other principal operating subsidiaries of the Group

	Effective percent of share capital held by the Group as of	
	31 March 2013	31 December 2012
OAo NIPigazpererabotka	90	90
OAo Polief	83	83
OOO Yugragazpererabotka* (Note 3)	-	51

*TNK-BP Group is the second shareholder which owns remaining 49 percent share in OOO Yugragazpererabotka.

OOO Yugragazpererabotka, which controls OOO Belozerniy GPK, OOO Nizhnevartovskiy GPK and OOO Nyagangazpererabotka became a joint venture in March 2013 (Note 3).

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28 RELATED PARTIES

For the purposes of this consolidated interim condensed financial information, parties are generally considered to be related if one party is part of the Group's key management or Board of Directors, has the ability to control or jointly control the other party, they are under common control, or if one party can exercise significant influence over the other party in the financial and operational decision-making process. In considering each possible related-party relationship, attention is paid to the substance of the relationship, not merely the entities' legal form.

The nature of the related-party relationships for those related parties with whom the Group entered into significant transactions during the three months ended 31 March 2013 and 2012, or had significant balances outstanding as of 31 March 2013 and 31 December 2012, are presented below.

a) NOVATEK Group, OOO Nova and OAO Pervobank

During the three months ended 31 March 2013 and 2012, the Group engaged in transactions with OAO NOVATEK and its subsidiaries (jointly the "NOVATEK Group"). OAO NOVATEK has been a related party of the Group since December 2010 as Mr. Mikhelson, the Group's controlling shareholder, is also the Chairman of the Board of Directors and a shareholder of OAO NOVATEK. The Group's transactions and balances with the NOVATEK Group during the relevant periods are set out below:

	31 March 2013	31 December 2012
Trade and other receivables	668	806
Advances and prepayments	71	23
Trade and other payables (including payables for the acquisition of subsidiaries)	1,630	1,641
Advances received	-	1,690

	Three months ended 31 March 2013	Three months ended 31 March 2012
Operating activities		
Purchases of natural gas	684	555
Purchases of natural gas liquids	195	-
Natural gas sales	4,018	2,238
Sales of other work and services	6	-

During the year ended 31 December 2012 and the three months ended 31 March 2013, the Group engaged in transactions with OOO Nova related to the construction of a natural gas liquids pipeline connecting the Purovsky gas condensate plant, the Yuzhno-Balykskaya main pumping station and the Tobolsk production site in the Tyumen Region. OOO Nova has been under the significant influence of Mr. Mikhelson, the Group's controlling shareholder and thus has been a related party of the Group since December 2010. The Group's transactions and balances with OOO Nova as of the end and during the relevant periods are set out below:

	31 March 2013	31 December 2012
Advances and prepayments for capital construction	1,724	1,835
Trade and other payables	323	827

	Three months ended 31 March 2013	Three months ended 31 March 2012
Operating activities		
Sales of other goods and services	487	-
Purchases of other goods and services	998	-

As of 31 March 2013, the Group had contractual capital expenditure commitments with OOO Nova of RR 889.

28 RELATED PARTIES (CONTINUED)

During the three months ended 31 March 2013, the Group deposited cash in OAO Pervobank, which has been under the significant influence of Mr. Mikhelson, the Group's controlling shareholder, and thus has been a related party of the Group since December 2010. As of 31 March 2013 and 31 December 2012, the Group held RR 3,797 and RR 1,647, respectively, in cash and cash equivalents, including short-term deposits with an original maturity of less than three months, at OAO Pervobank. The Group received RR 55 and RR nil in interest income on cash and cash equivalents held at OAO Pervobank for the three months ended 31 March 2013 and 31 March 2012, respectively.

b) Gunvor Group and Stroytransgaz Group

In October 2011, the Gunvor Group, jointly controlled by Mr. Gennady N. Timchenko, became a related party of the Group after Mr. Timchenko acquired significant influence over the Group. The Group engaged in transactions with Gunvor Group companies both before and during the period that the Gunvor Group was a related party. These transactions included sales of energy products to the Gunvor Group.

For the three months ended 31 March 2013 and 2012, the Group's revenue from the sale of energy products to the Gunvor Group amounted to RR 536 and RR 1,410, respectively. As of 31 March 2013 and 31 December 2012, the Group's trade receivables included trade receivables from Gunvor Group of RR 2 and RR 5, respectively.

During the year ended 31 December 2012, the Group entered into transactions with OAO Stroytransgaz and its subsidiary, OOO Stroytransgaz-M (together, the "Stroytransgaz companies"), the ultimate beneficiary of which is Mr. Timchenko, one of the Group's principal shareholders. The transactions primarily included purchases by the Group from the Stroytransgaz companies of construction, repair and maintenance services. The Group's transactions and balances with the Stroytransgaz companies as of the end and during the relevant periods are set forth below:

	31 March 2013	31 December 2012
Advances and prepayments for capital construction	745	1,053
Trade and other payables	697	121
		Three months ended
		31 March 2013
Operating and investing activities		
Purchases of construction and repair and maintenance services		1,516

As of 31 March 2013, the Group had contractual capital expenditure commitments with Stroytransgaz Group of RR 2,254.

c) Remuneration of directors and key management

The Group's Board of Directors comprised of nine individuals, including shareholder representatives. Members of the Board of Directors are entitled to annual compensation, as approved by the Annual General Shareholders' Meeting.

During the three months ended 31 March 2013 and 2012, the Company accrued RR 20 and RR 24, net of social taxes, to Board of Directors members as part of their compensation for the years ended 31 December 2013 and 2012, respectively.

Key management personnel comprised of 15 individuals during the first quarter of 2013 (16 during the first quarter of 2012). Key management personnel are entitled to salaries, bonuses, voluntary medical insurance and other employee benefits. Remuneration for key management personnel is determined by the terms set out in the relevant annual employment contracts. Remuneration of key management personnel amounted to RR 278 and RR 307 net of social taxes for the three months ended 31 March 2013 and 2012, respectively.

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28 RELATED PARTIES (CONTINUED)

d) Joint ventures and associates

The Group's transactions and balances with its joint ventures as of the end and during the relevant periods are set forth below:

	31 March 2013	31 December 2012
Loans receivable	3,029	1,661
Short-term debt	875	625
Trade and other receivables	756	68
Trade and other payables	863	423
	Three months ended 31 March	2012
Operating and investing activities		
Purchases of materials, goods and services	1,393	1,411
Sales of materials	94	1,416
Interest income	36	18

Balances outstanding as of 31 March 2013 included OOO Yugragazpererabotka, former subsidiary which was deconsolidated and disclosed as joint venture in March 2013 (Note 3).

	31 March 2013
Loans receivable	1,299
Trade and other receivables	159
Trade and other payables	462

The Group did not enter into any significant transactions with associates during the three months ended 31 March 2013 and 31 December 2012.

29 COMMITMENTS, CONTINGENCIES AND OPERATING RISKS

Operating environment. 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 Russia.

The international sovereign debt crises, stock market volatility, and other risks could have a negative effect on Russian financial and corporate sectors. Management determined impairment provisions by considering the economic situation and outlook at the end of the reporting period. Provisions for trade receivables are determined using the "incurred loss" model required by the applicable accounting standards. These standards require recognition of impairment losses for receivables arising from past events and prohibit recognition of impairment losses that could arise from future events, no matter how likely those future events are.

Russia's future economic development is dependent upon both external factors and government measures to sustain growth and 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.

Legal proceedings. During the reporting period, the Group was involved in a number of court proceedings (as both plaintiff and defendant) arising in the ordinary course of business. Management believes there are no current legal proceedings or other claims outstanding which could have a material adverse effect on the Group's operational results or financial position, and which have not been accrued or disclosed in the consolidated interim financial information.

Certain agreements under which the Group has disposed of various businesses and assets contain warranties and indemnities in favour of purchasers related to title, environmental matters and other. The Group's potential obligations under such warranties and indemnities can be material, however the magnitude of such obligations cannot be assessed until a receipt of a specific claim.

29 COMMITMENTS, CONTINGENCIES AND OPERATING RISKS (CONTINUED)

Taxation. Russian tax, currency and customs legislation is subject to varying interpretations and changes frequently. Group management's interpretation of such legislation, as applied to the Group's transactions and activity, may be challenged by the relevant federal and regional authorities.

The Russian tax authorities may be taking a more assertive position in their interpretation of the law and assessments, and it is possible that transactions and activities that have not been challenged in the past may now be challenged. The Supreme Arbitrazh Court has issued guidance to the lower courts on reviewing tax cases, providing a systematic roadmap for anti-avoidance claims, and it is possible that this will significantly increase the level and frequency of the tax authorities' scrutiny. As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for the three calendar years preceding the year under review.

Russian transfer pricing legislation was amended from 1 January 2012. These new transfer pricing rules appear more technically elaborate and, to a certain extent, better aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD). This new legislation allows the tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties), provided that the transaction price is not arm's length. The Group's management exercises its judgment about whether or not the transfer pricing documentation that the entity has prepared, as required by the new legislation, provides sufficient evidence to support the entity's tax positions and related tax returns. Given that the practice of implementing the new Russian transfer pricing rules has not yet fully developed, the impact of any challenge to an entity's transfer prices cannot be reliably predicted; however, it may be significant to the financial condition and/or overall operations of the entity.

The Group includes companies incorporated outside of Russia. The Group's tax liabilities are determined on the assumption that these companies are not subject to Russian income tax, if they are not permanently established in Russia. Russian tax law does not provide detailed rules on the taxation of foreign companies. It is possible that, with the evolution of the interpretation of these rules and changes in the Russian tax authorities' approach, the non-taxable status of some or all of the Group's foreign companies in Russia may be challenged. The impact of any such challenge cannot be reliably assessed; however, it may be significant to the financial condition and/or overall operations of the entity.

The Group's management believes that its interpretation of the relevant legislation is appropriate and that the Group's tax, currency and customs positions will be sustained. Where the Group's management believes it is probable that a position cannot be sustained, an appropriate amount has been accrued for in this IFRS consolidated interim condensed financial information.

Environmental matters. The enforcement of environmental regulations in the Russian Federation is evolving, and the enforcement posture of government authorities is continually being reconsidered. The Group periodically evaluates its obligations under environmental regulations. Obligations are recognised as soon as they are determined. Potential liabilities which could arise as a result of changes in existing regulations, civil litigation or legislation, cannot be estimated, but could be material. Management believes that there are no likely liabilities for environmental damage, which would have a materially adverse impact on the Group's financial position or operating results.

Social commitments. The Group contributes to the maintenance and upkeep of the local infrastructure and the welfare of employees in those areas where it has production operations, including contributions to the construction, development and maintenance of housing, hospitals, transport services, recreation and other social needs. Such funding is expensed as incurred.

Compliance with covenants. The Group is subject to certain covenants primarily related to its debt. Non-compliance with such covenants may result in negative consequences for the Group, i.e. increased borrowing costs. Management believes that the Group is in compliance with its covenants.

Capital commitments. In the normal course of business, the Group has entered into contracts for the purchase of property, plant and equipment. The Board of Directors has approved a capital expenditure budget for 2013 of RR 73,694 (2012: RR 68,479). As of 31 March 2013, the Group had contractual capital expenditure commitments of RR 42,641.

30 EVENTS AFTER THE REPORTING DATE

On 25 April 2013, the Company's Annual General Meeting of Shareholders voted to distribute RR 7,625 as dividends to the Company's shareholders by paying out a dividend of RR 3.50 (three Russian roubles and fifty kopecks) per ordinary share. As of 30 April 2013 dividends were paid.

31 NEW ACCOUNTING DEVELOPMENTS

The Group has reviewed new and revised accounting pronouncements that have been issued and determined that the following may have an impact on the Group:

- Amendments to IAS 1 *Presentation of Financial Statements* (issued in June 2011 and effective for annual periods beginning on or after 1 July 2012);
- IFRS 10 *Consolidated Financial Statements* (issued in May 2011 and effective for annual periods beginning on or after 1 January 2013);
- IFRS 11 *Joint Arrangements* (issued in May 2011 and effective for annual periods beginning on or after 1 January 2013);
- IFRS 12 *Disclosure of Interest in Other Entities*, (issued in May 2011 and effective for annual periods beginning on or after 1 January 2013).

The Group adopted IAS 1, IFRS 10, IFRS 11 and IFRS 12 from 1 January 2013. The adoption of IAS 1, IFRS 10 and IFRS 12 did not have a material impact on the Group's financial position or operations but may require additional disclosures to be presented in the consolidated interim condensed financial information.

The adoption of following standards did not have a material impact on the Group's financial position or operations:

- IFRS 13 *Fair Value Measurement* (issued in May 2011 and effective for annual periods beginning on or after 1 January 2013);
- IAS 27 *Separate Financial Statements* (revised in May 2011 and effective for annual periods beginning on or after 1 January 2013);
- IAS 28 *Investments in Associates and Joint Ventures* (revised in May 2011 and effective for annual periods beginning on or after 1 January 2013);
- The amended IAS 19 *Employee Benefits* (issued in June 2011 and effective for periods beginning on or after 1 January 2013);
- *Improvements to International Financial Reporting Standards* (issued in May 2012 and effective for annual periods beginning on or after 1 January 2013).
- Amendments to IFRS 7 *Disclosures – Offsetting, Financial Assets and Financial Liabilities* (issued in December 2011 and effective for annual periods beginning on or after 1 January 2015).

The Group is considering the implications of the following amendments, the impact on the Group and the timing of its adoption by the Group:

- Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities* (issued in December 2011 and effective for annual periods beginning on or after 1 January 2014);
- IFRS 9 *Financial Instruments: Classification and Measurement* (issued in November 2009 and effective for annual periods beginning on or after 1 January 2015);

OAO SIBUR HOLDING
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED)
(In millions of Russian roubles, unless otherwise stated)

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