

ОАО SIBUR Holding

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

As of and for the three and nine months ended 30 September 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 30 September 2013 and the related consolidated interim condensed statements of profit or loss, comprehensive income for the three and nine months then ended, cash flows and changes in equity for the nine months period then ended. Management is responsible for the preparation and presentation of this consolidated interim condensed financial information set out on pages 2 to 30 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

9 December 2013

Moscow, Russian Federation

OA0 SIBUR HOLDING
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF
FINANCIAL POSITION (UNAUDITED)

(In millions of Russian roubles, unless otherwise stated)

Notes		30 September 2013	31 December 2012
	Assets		
	Non-current assets		
6	Property, plant and equipment	276,380	207,655
	Goodwill	9,480	9,480
7	Investments in joint ventures and associates	23,905	17,690
	Deferred income tax assets	11,083	11,105
8	Advances and prepayments for capital construction	14,429	45,692
9	Loans receivable	-	743
10	Trade and other receivables	187	94
11	Other non-current assets	3,051	2,695
	Total non-current assets	338,515	295,154
	Current assets		
12	Inventories	22,448	24,750
10	Trade and other receivables	12,550	15,983
	Prepaid current income tax	3,229	4,222
13	Prepayments and other current assets	12,952	21,464
9	Loans receivable	3,779	1,222
14	Cash and cash equivalents	5,846	13,570
14	Restricted cash	866	890
5	Assets classified as held for sale	1,044	1,044
	Total current assets	62,714	83,145
	Total assets	401,229	378,299
	Liabilities		
	Non-current liabilities		
15	Long-term debt	56,482	41,058
16	Grants and subsidies	32,817	30,502
	Deferred income tax liabilities	9,390	10,171
17	Other non-current liabilities	4,253	5,171
	Total non-current liabilities	102,942	86,902
	Current liabilities		
19	Short-term debt and current portion of long-term debt	37,814	54,936
18	Trade and other payables	30,934	36,569
	Income tax payable	245	1,560
20	Taxes other than income tax payable	2,187	2,576
	Total current liabilities	71,180	95,641
	Total liabilities	174,122	182,543
21	Equity		
	Ordinary share capital	21,784	21,784
	Share premium	9,357	9,357
29	Equity-settled share-based payment plans	4,127	-
	Retained earnings	190,768	163,624
	Total equity attributable to the Group's shareholders	226,036	194,765
	Non-controlling interest	1,071	991
	Total equity	227,107	195,756
	Total liabilities and equity	401,229	378,299

D.V. Konov
Chief Executive Officer
9 December 2013

P.N. Malyi
Chief Financial Officer
9 December 2013

The accompanying notes on pages 7 to 30 are an integral part of this consolidated interim condensed financial information.

OAO SIBUR HOLDING
IFRS CONSOLIDATED INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
(In millions of Russian roubles, unless otherwise stated)

Notes		Three months ended		Nine months ended	
		30 September		30 September	
		2013	2012	2013	2012
	Continuing operations				
22	Revenue	67,568	62,030	197,598	198,957
	Operating expenses before equity-settled share-				
23	based payment plans	(51,873)	(47,011)	(149,170)	(146,093)
29	Equity-settled share-based payment plans	(4,127)	-	(4,127)	-
	Total operating expenses	(56,000)	(47,011)	(153,297)	(146,093)
	Operating profit	11,568	15,019	44,301	52,864
24	Finance income	960	3,889	1,141	3,145
24	Finance expenses	(558)	(177)	(6,009)	(1,020)
4	Gain on acquisition of subsidiary	-	-	-	430
	Share of net income from joint ventures	130	194	279	115
4	Gain on deconsolidation/disposal of subsidiaries	-	283	2,413	283
	Profit before income tax from continuing operations	12,100	19,208	42,125	55,817
25	Income tax expense	(3,236)	(3,692)	(7,715)	(10,326)
	Profit from continuing operations	8,864	15,516	34,410	45,491
	Discontinued operations				
5	Loss from disposal of Amtel Group's assets	-	-	-	(315)
	Profit for the reporting period, including attributable to:	8,864	15,516	34,410	45,176
	Non-controlling interest from continuing operations	(26)	9	(22)	70
	Shareholders of the parent company	8,890	15,507	34,432	45,106
	Basic and diluted earnings per share (in RR per share)				
	- From continuing operations	4.1	7.1	15.8	20.9
	- From discontinued operations	-	-	-	(0.1)
21	Weighted average number of shares outstanding (in thousands)	2,178,479	2,178,479	2,178,479	2,178,479

The accompanying notes on pages 7 to 30 are an integral part of this consolidated interim condensed financial information.

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

(In millions of Russian roubles, unless otherwise stated)

	Three months ended		Nine months ended	
	30 September		30 September	
	2013	2012	2013	2012
Profit for the reporting period from continuing operations	8,864	15,516	34,410	45,491
Profit for the reporting period	8,864	15,516	34,410	45,176
Total comprehensive income for the reporting period from continuing operations	8,864	15,516	34,410	45,491
Total comprehensive income for the reporting period including attributable to:	8,864	15,516	34,410	45,176
Non-controlling interest from continuing operations	(26)	9	(22)	70
Shareholders of the parent company from continuing operations	8,890	15,507	34,432	45,421
Shareholders of the parent company from discontinued operations	-	-	-	(315)

The accompanying notes on pages 7 to 30 are an integral part of this consolidated interim condensed financial information.

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

Notes		Nine months ended	
		30 September	
	Operating activities	2013	2012
	Cash from operating activities of continuing operations before income tax payment	65,710	64,977
26		(8,535)	(10,081)
25, 26	Income tax paid from continuing operations		
26	Net cash from operating activities of continuing operations	57,175	54,896
	Investing activities		
	Purchase of property, plant and equipment	(52,605)	(48,165)
	Loans issued	(787)	(1,838)
	Proceeds from sale of non-controlling interest	439	-
	Settlement of receivables	-	2,631
	Proceeds from sale of financial instruments	-	2,273
14	Restricted cash for capital construction	24	(1,106)
7	Dividends received	600	1,365
	Repayment of loans and notes receivable	273	410
	Proceeds from sale of property, plant and equipment	1,448	1,149
	Proceeds from disposal of subsidiaries, net of cash disposed	-	283
	Acquisition of interest in subsidiaries, net of cash acquired	(1,742)	(1,524)
7	Additional contribution to the share capital of joint ventures	(3,200)	-
	(Increase)/decrease in other non-current assets, net	(92)	480
	Cash used in investing activities of continuing operations	(55,642)	(44,042)
	Cash from investing activities of discontinued operations, net of related income tax	-	14,335
5	Net cash used in investing activities	(55,642)	(29,707)
	Financing activities		
	Proceeds from debt	48,325	32,052
	Repayment of debt	(48,761)	(41,448)
	Repayment of promissory notes	(633)	-
21	Dividends paid	(7,625)	(21,785)
	Interest received	513	546
	Interest paid	(3,045)	(2,742)
	Payment of bank fees	(283)	(586)
	Grants and subsidies	2,315	3,377
	Net cash used in financing activities of continuing operations	(9,194)	(30,586)
	Effect of exchange rate changes on cash and cash equivalents	(63)	(398)
	Net decrease in cash and cash equivalents	(7,724)	(5,795)
	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	5,846	9,176

The accompanying notes on pages 7 to 30 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 Group's shareholders						Non- control- ling interest	Total equity	
	Share capital	Treasury shares	Other reserves	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	-	-	-	-	45,106	45,106	70	45,176
21	Dividends paid	-	-	-	-	(21,785)	(21,785)	-	(21,785)
	Treasury shares cancellation	(21,786)	72,374	-	-	(50,588)	-	-	-
	Balance as of 30 September 2012	21,784	-	-	9,357	156,091	187,232	1,493	188,725
	Balance as of 31 December 2012	21,784	-	-	9,357	163,624	194,765	991	195,756
	Total comprehensive income for the reporting period	-	-	-	-	34,432	34,432	(22)	34,410
29	Equity-settled share-based payment plans	-	-	4,127	-	-	4,127	-	4,127
	Sale of non- controlling interest	-	-	-	-	337	337	102	439
21	Dividends paid	-	-	-	-	(7,625)	(7,625)	-	(7,625)
	Balance as of 30 September 2013	21,784	-	4,127	9,357	190,768	226,036	1,071	227,107

The accompanying notes on pages 7 to 30 are an integral part of this consolidated interim condensed financial information.

1 NATURE OF OPERATIONS

OAO SIBUR Holding (hereinafter, 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, both 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 Gazfond was the Group’s ultimate parent through OAO Gazprombank.

Since September 2011, Mr. Leonid V. Mikhelson has been the ultimate controlling shareholder of the Group. OAO SIBUR 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). This 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 25).

Joint venture established as a result of deconsolidation of a subsidiary. Starting with the consolidated interim condensed financial information for the three months ended 31 March 2013 due to the deconsolidation of OOO Yugragazpererabotka (Note 4), the Group has adopted a policy governing accounting for a joint venture. 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 when 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.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLICATION OF ACCOUNTING POLICIES

In addition to the critical accounting estimates and judgments disclosed in the Group's consolidated financial statements for the year ended 31 December 2012, the Group's management applied estimates and judgments in its interim financial information in respect to equity-settled share-based payment plans of the Group's directors and key management (Note 29).

The equity-settled share awards under the plans are measured at the fair value for the underlying shares calculated at the grant date using a valuation model.

As of the grant date, the calculation of the Group's equity value uses pre-tax cash flow projections based on a five-year financial forecast. Cash flows beyond the five-year period are extrapolated based on an estimated growth rate of 2.35%, which is the long-term average growth rate for the industry in which the Group operates. The following key assumptions are used in the equity value calculation: a pre-tax discount rate of 16.63%, oil price of USD 89-99 per bbl and Russian Federation Consumer Price Index of 5.0 – 6.5%.

4 ACQUISITION AND DECONSOLIDATION OF SUBSIDIARIES

Deconsolidation of OOO Yugragazpererabotka. In March 2013, the Group and TNK-BP Group subsequently acquired by Rosneft 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 (subsequently Rosneft) share in OOO Yugragazpererabotka have been terminated. Therefore, since 12 March 2013, the Group has started accounting for its investment in OOO Yugragazpererabotka in accordance with IFRS 11, *Joint Arrangements* as a joint venture in its financial statements as opposed to the previously used approach, wherein OOO Yugragazpererabotka was consolidated as a wholly owned subsidiary of the Group and TNK-BP's (subsequently Rosneft Group) contribution was accounted for as interest-bearing long-term loans.

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

	Carrying amounts
Property, plant and equipment (Note 6)	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

4 ACQUISITION AND DECONSOLIDATION OF SUBSIDIARIES (CONTINUED)

The post-tax gain recognised upon the deconsolidation of OOO Yugragazpererabotka, and 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 Rosneft Group's (former 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 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

Balances outstanding as of 30 September 2013 and transactions for the three and six months ended 30 September 2013 with OOO Yugragazpererabotka are disclosed in Note 29.

The 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.

Details of the assets and liabilities acquired are as follows:

	Fair values
Property, plant and equipment (Note 6)	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 contributed RR 2,344 in revenue and RR 258 in profit to the Group for the period from the acquisition date to 30 September 2012. If the acquisition had occurred on 1 January 2012, Group revenue and profit from continuing operations for the nine months ended 30 September 2012 would have been RR 201,301 and RR 45,434, respectively.

As of the acquisition date, the Group reevaluated 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.

4 ACQUISITION AND DECONSOLIDATION OF SUBSIDIARIES (CONTINUED)

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
Less:	
Cash and cash equivalents of the acquired subsidiary	(62)
Outflow of cash and cash equivalents on acquisition	1,138

5 DISCONTINUED OPERATIONS AND ASSETS CLASSIFIED AS HELD FOR SALE

Disposal of the 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.

Cash from investing activities of discontinued operations, recorded in the consolidated interim condensed statement of cash flows for the nine months ended 30 September 2012, includes RR 6,584 for OAO Kirov Tyre Plant and ZAO Voronezh Tyre Plant from OOO E-Volution Tyre, a joint venture of the Pirelli Group and Russian Technologies, as sale consideration, and RR 7,751 in settlement of the remaining part of receivables due 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 30 September 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 30 September 2013 within 12 months.

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

(In millions of Russian roubles, unless otherwise stated)

6 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	(545)	(2,117)	(3,701)	(565)	-	(172)	(7,100)
Additions	32	22	23	56	40,245	2,749	43,127
Acquisition of subsidiaries (Note 4)	2,364	268	2,452	14	16	69	5,183
Reclassifications	-	949	(321)	(20)	-	(608)	-
Transfers	2,454	11,839	4,630	151	(19,321)	247	-
Disposals	(317)	(392)	(405)	(81)	(1,311)	(2)	(2,508)
Impairment	(115)	(47)	(26)	(2)	-	(72)	(262)
Reclassification to assets held for sale (Note 5)	-	(2,840)	-	-	-	-	(2,840)
Historical cost as of 30 September 2012	28,877	49,245	57,433	10,405	83,227	5,426	234,613
Accumulated depreciation	(6,670)	(13,425)	(23,557)	(3,355)	-	(830)	(47,837)
Net book value as of 30 September 2012	22,207	35,820	33,876	7,050	83,227	4,596	186,776
Net book value as of 31 December 2012	23,553	38,814	37,813	6,958	96,725	3,792	207,655
Depreciation charge	(568)	(2,600)	(4,712)	(504)	-	(183)	(8,567)
Additions	36	370	15	6	85,186	714	86,327
Reclassifications	-	(1,740)	1,740	-	-	-	-
Transfers	1,695	26,706	47,678	138	(76,272)	55	-
Impairment	(132)	(32)	(13)	(4)	-	-	(181)
Deconsolidation of subsidiary (Note 4)	(1,203)	(3,008)	(2,948)	(1)	(386)	(146)	(7,692)
Disposals	(157)	(33)	(121)	(94)	(732)	(25)	(1,162)
Historical cost as of 30 September 2013	29,700	73,734	107,247	10,080	104,521	5,267	330,549
Accumulated depreciation	(6,476)	(15,257)	(27,795)	(3,581)	-	(1,060)	(54,169)
Net book value as of 30 September 2013	23,224	58,477	79,452	6,499	104,521	4,207	276,380

In the nine months ended 30 September 2013, construction of the Tobolsk polypropylene plant was completed. The Tobolsk polypropylene plant comprises a set of production facilities that currently operate at different utilisation rates. The Group is continuing to ramp up the production at the plant.

For the nine-month periods ended 30 September 2013 and 30 September 2012, the Group capitalised borrowing costs of RR 3,514 and RR 2,257, respectively. Borrowing costs included RR 1,106 and RR nil in foreign exchange losses from financing activities for the nine-month periods ended 30 September 2013 and 30 September 2012, respectively. The capitalisation rates excluding effect of capitalised foreign exchange loss were 3.4 percent and 4.6 percent, respectively.

During the nine-month periods ended 30 September 2013 and 30 September 2012, the Group recognised impairment losses of RR 181 and RR 262, respectively, 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.

ОАО СИБУР ХОЛДИНГ
NOTES TO THE IFRS CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED)
(In millions of Russian roubles, unless otherwise stated)

7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

	30 September 2013	31 December 2012
ООО RusVinyl	15,701	13,712
ООО NPP Neftekhimia	3,671	3,504
ООО Yugragazpererabotka (Note 4)	2,504	-
ZAO Sibgazpolimer	1,406	-
ООО ITSK	443	296
Reliance Sibur Elastomers Private Limited	175	169
ООО Yuzhno-Priobsky GPZ	5	7
Other	-	2
Total investments in joint ventures and associates	23,905	17,690

ООО RusVinyl. In June 2007, the Group formed a joint venture, ООО RusVinyl, with SolVin Holding Nederland B.V. (which is ultimately controlled by Solvay SA) for the construction of a polyvinyl chloride production complex in the Nizhny Novgorod Region. In March and August 2013, the Group and SolVin Holding Nederland B.V. each additionally contributed RR 500 and 2,000 to the share capital of ООО RusVinyl, respectively; 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 30 September 2013 and 31 December 2012, the maximum credit risk exposures due to financial guarantees issued for the ООО RusVinyl loan were RR 15,864 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	
			30 September 2013	31 December 2012
ООО RusVinyl*	Russia	Polyvinyl chloride production	50	50
ООО NPP Neftekhimia	Russia	Polypropylene production	50	50
ООО Yugragazpererabotka (Note 4, 28)	Russia	Associated petroleum gas processing	51	-
ZAO Sibgazpolimer**	Russia	Polypropylene production	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

**special purpose vehicle formed for investments in production entities

During the nine-month periods ended 30 September 2013 and 30 September 2012, the Group received dividends from ООО NPP Neftekhimia of RR 600 and RR 450 and from ООО ITSK of RR nil and RR 125, respectively.

8 ADVANCES AND PREPAYMENTS FOR CAPITAL CONSTRUCTION

As of 30 September 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 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 (Note 6); and gas infrastructure assets in the St Petersburg area. The Group's most significant advances and prepayments related to capital construction projects as of 30 September 2013 and 31 December 2012 were paid to the following contractors: LINDE-KCA-DRESDEN GmbH, Maire Tecnimont Group, ООО Gazprom Mezhrefiongaz, ООО Lennihimmash, ZAO Stroytransgaz, TECHNIP BENELUX B.V., ООО NPA Vira Realtime, ООО NGSK (Moscow), ОАО Promstroy, ООО Uhde and ОАО ChelPipe.

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

9 LOANS RECEIVABLE

	30 September 2013	31 December 2012
OOO Yuzhno-Priobskiy GPZ	2,248	1,661
OOO Yugragazpererabotka	1,293	-
Other	238	304
Total loans receivable	3,779	1,965
Less: non-current portion	-	(743)
	3,779	1,222

10 TRADE AND OTHER RECEIVABLES

	30 September 2013	31 December 2012
Trade receivables (net of impairment provisions of RR 466 and RR 327 as of 30 September 2013 and 31 December 2012, respectively)	11,810	14,614
Other receivables (net of impairment provisions of RR 96 and RR 18 as of 30 September 2013 and 31 December 2012, respectively)	927	1,463
Total trade and other receivables	12,737	16,077
Less non-current portion: other receivables	(187)	(94)
	12,550	15,983

The fair value of trade receivables is approximate to its carrying value.

11 OTHER NON-CURRENT ASSETS

	30 September 2013	31 December 2012
Intangible assets	1,796	1,515
Raw natural gas liquids in pipelines	471	494
Recoverable VAT related to assets under construction	88	137
Other	696	549
Total other non-current assets	3,051	2,695

12 INVENTORIES

	30 September 2013	31 December 2012
Refined products and work in progress (net of impairment provisions of RR 31 and RR 93 as of 30 September 2013 and 31 December 2012, respectively)	13,599	14,728
Materials and supplies (net of impairment provisions of RR 192 and RR 259 as of 30 September 2013 and 31 December 2012, respectively)	8,290	9,467
Goods for resale (net of impairment provisions of RR 224 and RR 11 as of 30 September 2013 and 31 December 2012, respectively)	559	555
Total inventories	22,448	24,750

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13 PREPAYMENTS AND OTHER CURRENT ASSETS

	30 September 2013	31 December 2012
Non-financial assets		
VAT receivable	4,403	8,201
Recoverable VAT	3,754	4,460
Prepayments and advances to suppliers	3,402	4,323
Other prepaid taxes	1,140	1,755
Recoverable excise	248	300
Prepaid borrowing cost	-	2,371
Other current assets	93	191
Total prepayments and other current assets	13,040	21,601
Less:		
Non-current portion of recoverable VAT related to assets under construction	(88)	(137)
	12,952	21,464

14 CASH AND 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 2,464 and RR 5,127 as of 30 September 2013 and 31 December 2012, respectively.

Restricted cash included OAO Vnesheconombank letters of credit worth RR 866 and RR 890 as of 30 September 2013 and 31 December 2012, respectively. The letters of credit were opened to finance capital expenditures for the construction of the polypropylene plant in Tobolsk.

15 LONG-TERM DEBT

Long-term debt payable to	Currency	Due	30 September 2013	31 December 2012
<i>Variable rate</i>				
OAO Vnesheconombank	USD	2013-2023	15,382	17,844
OAO Nordea Bank	USD	2013-2016	8,077	10,609
HSBC Bank plc	USD	2013-2014	3,466	4,556
ING Bank Group	EUR, USD	2008-2021	2,599	1,404
UniCredit Bank	EUR	2013-2019	845	909
OAO Rosbank AKB	USD	2013	-	4,556
<i>Fixed rate</i>				
Eurobonds	USD	2018	32,192	-
OAO Sberbank of Russia	RR	2014	9,000	12,857
OOO Gazprom				
Mezhregiongaz	RR	2011-2014	2,115	2,085
OOO NPP Neftekhimia	RR	2015	-	625
TNK-BP Group (subsequently Rosneft Group), Note 4	RR, USD	2013-2017	-	4,485
Other	USD	2031	14	13
Total long-term debt			73,690	59,943
Less: current portion			(17,208)	(18,885)
			56,482	41,058

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 7.7 percent and 7.4 percent as of 30 September 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 30 September 2013 and 31 December 2012, respectively. Long-term EUR-denominated debt bore average interest rates of 1.6 percent and 1.8 percent as of 30 September 2013 and 31 December 2012, respectively.

15 LONG-TERM DEBT (CONTINUED)

The scheduled maturities of long-term debt as of 30 September 2013 and 31 December 2012 are presented below:

	30 September 2013	31 December 2012
Due for repayment:		
Between one and two years	5,969	15,175
Between two and five years	42,450	12,679
After five years	8,063	13,204
Total long-term debt	56,482	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 30 September 2013 and 31 December 2012, the Group had the following committed long-term credit facilities:

	Credit limit	Undrawn amount
As of 30 September 2013		
EUR-denominated (in millions of EUR)	81	49
RR-denominated (in millions of RR)	28,000	19,000
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 30 September 2013 and 31 December 2012, the total rouble equivalent of the Group's undrawn committed long-term credit facilities were RR 21,156 and RR 41,224, respectively.

16 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	2,315	3,377
Recognised in profit or loss	-	(259)
Balance as of 30 September	33,395	23,367
Less: current portion	(578)	(1,900)
Non-current portion of grants and subsidies as of 30 September	32,817	21,467

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17 OTHER NON-CURRENT LIABILITIES

	30 September 2013	31 December 2012
Financial liabilities		
Payables for acquisition of subsidiaries	1,520	1,375
Lease liabilities	331	-
Promissory notes payable	5	568
Interest payable	-	1,665
Total financial non-current liabilities	1,856	3,608
Non-financial liabilities		
Post-employment obligations	1,562	1,562
Payables to employees	834	-
Other liabilities	1	1
Total non-financial non-current liabilities	2,397	1,563
Total other non-current liabilities	4,253	5,171

As of 30 September 2013 and 31 December 2012, payables for the acquisition of subsidiaries included payables for the acquisition of OAO Polief of RR 1,520 and RR 1,375, respectively.

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

As of 30 September 2013 and 31 December 2012, payables to employees were comprised by the long-term portion of provisions for bonuses (including provisions for social taxes) of RR 834 and RR nil, respectively.

18 TRADE AND OTHER PAYABLES

	30 September 2013	31 December 2012
Financial liabilities		
Accounts payable to contractors and suppliers of property, plant and equipment	10,936	12,565
Trade payables	9,526	8,947
Payables for acquisition of subsidiaries and joint venture	819	1,730
Interest payable	440	521
Promissory notes payable	1	2
Other payables	608	61
Total financial trade and other payables	22,330	23,826
Non-financial liabilities		
Payables to employees	5,415	5,800
Advances from customers	2,522	6,270
Current portion of grants and subsidies	578	578
Other payables	89	95
Total non-financial trade and other payables	8,604	12,743
Total trade and other payables	30,934	36,569

As of 30 September 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 4,338 and RR 5,770, respectively.

As of 30 September 2013, payables for the acquisition of subsidiaries included payables for the acquisitions of OAO Polief of RR 119, and ZAO Sibgazpolimer of RR 700. As of 31 December 2012, payables for the acquisition of subsidiaries included payables for the acquisitions of OAO Polief of RR 119, and OOO Biaxplen NK of RR 1,611.

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

	30 September 2013	31 December 2012
Short-term debt:		
RR-denominated debt	1,747	200
USD-denominated debt	18,760	35,851
EUR-denominated borrowings	99	-
Total short-term debt	20,606	36,051
Current portion of long-term debt	17,208	18,885
	37,814	54,936

Short-term USD-denominated debt bore average interest rates of 1.9 percent and 2.0 percent as of 30 September 2013 and 31 December 2012, respectively. Short-term EUR-denominated debt bore average interest rates of 1.7 percent as of 30 September 2013. Short-term RUR-denominated debt bore average interest rates of 7.6 percent as of 30 September 2013. There was no short-term EUR-denominated debt as of 31 December 2012.

The carrying amount of short-term debt approximates its fair value.

As of 30 September 2013 and 31 December 2012, the Group had no committed short-term credit facilities.

20 TAXES OTHER THAN INCOME TAX PAYABLE

	30 September 2013	31 December 2012
VAT	1,045	1,386
Social taxes	514	284
Property tax	344	723
Other taxes	284	183
Total taxes other than income tax payable	2,187	2,576

21 SHAREHOLDERS' EQUITY

Share capital. The share capital of OAO SIBUR Holding (authorised, issued and paid-in) was RR 21,784 as of 30 September 2013 and 31 December 2012, and consisted of 2,178,479,100 ordinary shares, each with a par value of ten Russian roubles.

Dividends. Dividends in the amount of RR 7,625 for the six months ended 31 December 2012 and RR 21,785 for the year ended 31 December 2011 were paid during the nine-month periods ended 30 September 2013 and 30 September 2012, respectively.

Equity-settled share-based payment plans for key management. On 28 June 2013, a company beneficially owned by Mr. Mikhelson and Mr. Timchenko granted equity-settled share-based payment plans to certain current and former members of the Group's key management (Note 29). For the nine-month period ended 30 September 2013, the Group recognised RR 4,127 within equity reserves and a corresponding increase in operating expenses.

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 with the exception of treasury shares.

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22 REVENUE

	Three months ended		Nine months ended	
	30 September		30 September	
	2013	2012	2013	2012
Energy products:				
Liquefied petroleum gas	15,015	11,832	42,113	38,522
Natural gas	6,614	6,100	19,350	17,591
Naphtha	6,793	5,559	18,677	18,333
MTBE	4,441	3,932	14,117	13,166
Raw natural gas liquids	2,144	720	6,635	2,329
Other fuels and fuel additives	943	825	2,277	2,468
Petrochemical products:				
Plastics and organic synthesis products	10,613	10,004	31,350	28,876
Synthetic rubbers	8,030	8,880	24,908	31,183
Basic polymers	6,050	5,474	16,605	17,127
Intermediates and other chemicals	4,814	5,781	14,628	17,379
Total energy and petrochemical products (net of excise tax, custom duties and VAT)	65,457	59,107	190,660	186,974
Sales of processing services	9	1,361	1,379	3,771
Trading and other sales	2,102	1,562	5,559	8,212
Total revenue	67,568	62,030	197,598	198,957

23 OPERATING EXPENSES BEFORE EQUITY-SETTLED SHARE-BASED PAYMENT PLANS

	Three months ended		Nine months ended	
	30 September		30 September	
	2013	2012	2013	2012
Feedstock and materials	15,284	14,415	47,683	42,661
Transportation and logistics	9,119	9,379	28,479	27,683
Energy and utilities	6,199	7,600	19,211	22,105
Staff costs	6,270	6,354	19,177	20,558
Depreciation and amortisation	3,173	2,660	8,376	7,114
Repairs and maintenance	2,017	1,999	5,168	5,319
Goods for resale	2,366	1,126	5,453	7,826
Rent expenses	1,395	1,184	4,084	3,198
Services provided by third parties	1,196	1,246	3,634	3,999
Processing services of third parties	1,606	93	3,238	362
Taxes other than income tax	445	396	1,356	1,207
Charity and sponsorship	347	143	928	970
Marketing and advertising	65	298	296	545
Impairment of property, plant and equipment	-	-	181	262
(Gain)/loss on disposal of property, plant and equipment	(279)	276	(742)	559
Other	920	(203)	1,519	631
Change in WIP and refined products balances	1,750	45	1,129	1,094
Total operating expenses excluding equity-settled share-based payment plans	51,873	47,011	149,170	146,093

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24 FINANCE INCOME AND EXPENSES

	Three months ended		Nine months ended	
	30 September		30 September	
	2013	2012	2013	2012
Foreign exchange gain from non-financing activities	12	132	417	84
Foreign exchange gain from financing activities	795	3,530	-	1,313
Unwinding of discount on loans receivable and non-current accounts receivable	-	-	-	685
Interest income	153	227	645	648
Other income	-	-	79	415
Total finance income	960	3,889	1,141	3,145
Foreign exchange loss from financing activities	-	-	(4,502)	-
Interest expense	(477)	-	(1,136)	(559)
Unwinding of discount on borrowings and non-current accounts payable	(77)	-	(364)	(360)
Other expense	(4)	(177)	(7)	(101)
Total finance expenses	(558)	(177)	(6,009)	(1,020)

25 INCOME TAXES

The Group incurred current income tax of RR 8,215 and RR 3,488, RR 10,820 and RR 4,179 for the nine and three months ended 30 September 2013 and 30 September 2012, respectively.

The Group paid current income tax of RR 8,535 and RR 10,981 for the nine-month periods ended 30 September 2013 and 30 September 2012, respectively.

The 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.

26 CASH GENERATED FROM OPERATIONS

Notes	Nine months ended 30 September	
	2013	2012
	42,125	55,817
	Profit before income tax from continuing operations	
	Adjustments to profit before income tax from continuing operations	
23	8,376	7,114
	584	-
21,29	4,127	-
24	1,136	559
23	181	262
23	(742)	559
	(279)	(115)
	-	(430)
4	(2,413)	(283)
18	(597)	2,876
24	(645)	(648)
		(685)
24	-	(685)
	364	360
24	4,502	(1,313)
24	(417)	(84)
	478	(188)
	56,780	63,801
	Operating cash flows before working capital changes of continuing operations	
	Changes in working capital of continuing operations	
	3,251	3,538
	4,655	2,549
	1,519	(515)
	(27)	(2,576)
	(468)	(1,820)
	65,710	64,977
	(8,535)	(10,081)
	57,175	54,896
	Net cash from operating activities	

27 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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27 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	Petro- chemicals	Total reportable segments	Unallocated	Total
Three months ended 30 September 2013					
Total segment revenue	42,615	33,016	75,631	3,515	79,146
Inter-segment transfers	(7,126)	(2,611)	(9,737)	(1,841)	(11,578)
External revenue	35,489	30,405	65,894	1,674	67,568
EBITDA	20,680	1,251	21,931	(3,063)	18,868
Nine months ended 30 September 2013					
Total segment revenue	123,681	97,002	220,683	9,910	230,593
Inter-segment transfers	(20,466)	(6,627)	(27,093)	(5,902)	(32,995)
External revenue	103,215	90,375	193,590	4,008	197,598
EBITDA	53,869	8,865	62,734	(5,749)	56,985

	Feedstock & Energy	Petro- chemicals	Total reportable segments	Unallocated	Total
Three months ended 30 September 2012					
Total segment revenue	36,950	31,244	68,194	4,586	72,780
Inter-segment transfers	(5,817)	(1,994)	(7,811)	(2,939)	(10,750)
External revenue	31,133	29,250	60,383	1,647	62,030
EBITDA	15,357	3,674	19,031	(1,352)	17,679
Nine months ended 30 September 2012					
Total segment revenue	119,671	99,956	219,627	16,337	235,964
Inter-segment transfers	(22,867)	(6,181)	(29,048)	(7,959)	(37,007)
External revenue	96,804	93,775	190,579	8,378	198,957
EBITDA	52,236	14,293	66,529	(6,289)	60,240

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

	Feedstock & Energy	Petro- chemicals	Total reportable segments	Unallocated	Total
Three months ended 30 September 2013					
EBITDA	20,680	1,251	21,931	(3,063)	18,868
Depreciation and amortisation	(1,123)	(1,529)	(2,652)	(521)	(3,173)
Equity-settled share-based payment plans for key management	-	-	-	(4,127)	(4,127)
Operating profit/(loss)	19,557	(278)	19,279	(7,711)	11,568
Finance income	-	-	-	960	960
Finance expenses	-	-	-	(558)	(558)
Share of net loss of joint ventures and associates	-	-	-	130	130
Total profit/(loss) before income tax	19,557	(278)	19,279	(7,179)	12,100

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27 SEGMENT INFORMATION (CONTINUED)

Nine months ended 30 September 2013	Feedstock & Energy	Petrochemicals	Total reportable segments	Unallocated	Total
EBITDA	53,869	8,865	62,734	(5,749)	56,985
Depreciation and amortisation	(3,463)	(3,977)	(7,440)	(936)	(8,376)
Equity-settled share-based payment plans for key management	-	-	-	(4,127)	(4,127)
Impairment of property, plant and equipment	-	(181)	(181)	-	(181)
Operating profit/(loss)	50,406	4,707	55,113	(10,812)	44,301
Finance income	-	-	-	1,141	1,141
Finance expenses	-	-	-	(6,009)	(6,009)
Gain on deconsolidation of subsidiaries	-	-	-	2,413	2,413
Share of net income of joint ventures and associates	-	-	-	279	279
Total profit/(loss) before income tax	50,406	4,707	55,113	(12,988)	42,125

Three months ended 30 September 2012	Feedstock & Energy	Petrochemicals	Total reportable segments	Unallocated	Total
EBITDA	15,357	3,674	19,031	(1,352)	17,679
Depreciation and amortisation	(930)	(1,345)	(2,275)	(385)	(2,660)
Impairment of property, plant and equipment	-	-	-	-	-
Operating profit/(loss)	14,427	2,329	16,756	(1,737)	15,019
Finance income	-	-	-	3,889	3,889
Finance expenses	-	-	-	(177)	(177)
Share of net income of joint ventures and associates	-	-	-	194	194
Gain on disposal of investments	-	-	-	283	283
Total profit/(loss) before income tax	14,427	2,329	16,756	2,452	19,208

Nine months ended 30 September 2012	Feedstock & Energy	Petrochemicals	Total reportable segments	Unallocated	Total
EBITDA	52,236	14,293	66,529	(6,289)	60,240
Depreciation and amortisation	(2,832)	(3,120)	(5,952)	(1,162)	(7,114)
Impairment of property, plant and equipment	-	(262)	(262)	-	(262)
Operating profit	49,404	10,911	60,315	(7,451)	52,864
Finance income	-	-	-	3,145	3,145
Finance expenses	-	-	-	(1,020)	(1,020)
Gain on acquisition of a subsidiary	-	-	-	430	430
Share of net income of joint ventures	-	-	-	115	115
Gain on disposal of investments	-	-	-	283	283
Total profit/(loss) before income tax	49,404	10,911	60,315	(4,498)	55,817

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27 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 30 September		Nine months ended 30 September	
	2013	2012	2013	2012
Russia	38,974	37,248	115,029	110,130
Europe	17,161	16,842	51,611	58,146
Asia	6,165	3,692	16,636	17,094
CIS	4,305	3,662	11,844	11,376
Other	963	586	2,478	2,211
Total revenue	67,568	62,030	197,598	198,957

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.

28 PRINCIPAL SUBSIDIARIES

Principal wholly owned operating subsidiaries of the Group

OOO Biaxplen (from 29 March 2012)	ZAO SIBUR-Trans
OOO Biaxplen NK*	OAo SiburTyumenGaz
OOO Orton (formerly KOAO Orton)**	OOO Tobolsk-Neftekhim
OAo Plastic	OOO Tobolsk-Polymer
OOO SIBUR GEOSINT	OOO Togliattikauchuk
SIBUR International GmbH	OOO Tomskneftekhim
ZAO Sibur-Khimprom	OAo Uralorgsintez
OAo Sibur-Neftekhim	OAo Voronezhskintezkauchuk
OAo Sibur-PETF	

* 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	
	30 September 2013	31 December 2012
OAo NIPIgaspererabotka	90	90
OAo Polief	83	83
OAo Krasnoyarsk Synthetic Rubbers Plant	75	100
OOO Yugragazpererabotka* (Note 4)	-	51

*Rosneft Group (former TNK-BP Group) is the second shareholder, which owns the remaining 49 percent share in OOO Yugragazpererabotka.

OOO Yugragazpererabotka, which controls OOO Belozerniy GPK, OOO Nizhnevartovskiy GPK and OOO Nyagangazpererabotka, was deconsolidated in March 2013 (Note 4).

29 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. When considering each possible related-party relationship, attention is paid to the substance of the relationship, and not just the entities' legal form.

The nature of the related-party relationships for those related parties which the Group entered into significant transactions during the nine-month periods ended 30 September 2013 and 30 September 2012, or had significant balances outstanding as of 30 September 2013 and 31 December 2012, are presented below.

a) Significant transactions with the parties under Mr. Mikhelson's control, joint control or significant influence

During the nine-month periods ended 30 September 2013 and 30 September 2012, the Group engaged in transactions with OAO NOVATEK and its subsidiaries (jointly the "NOVATEK Group"). The Group's transactions and balances with the NOVATEK Group during the relevant periods are set out below:

	30 September 2013	31 December 2012
Trade and other receivables	175	806
Advances and prepayments	28	23
Trade and other payables (including payables for the acquisition of subsidiaries)	128	1,641
Advances received	2	1,690

	Three months ended		Nine months ended	
	30 September		30 September	
	2013	2012	2013	2012
Operating activities				
Purchases of natural gas	598	495	1,849	1,454
Purchases of liquefied petroleum gas	76	-	270	-
Natural gas sales	3,079	2,386	9,554	6,614
Sales of other work and services	61	-	66	-

During the year ended 31 December 2012 and the nine and three months ended 30 September 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. The Group's transactions and balances with OOO Nova as of the end and during the relevant periods are provided below:

	30 September 2013	31 December 2012
Advances and prepayments for capital construction	58	1,835
Trade and other payables	569	827

	Three months ended	Nine months ended
	30 September 2013	30 September 2013
Operating activities		
Purchases of other goods and services	769	3,759

As of 30 September 2013, the Group had contractual capital expenditure commitments with OOO Nova of RR 807.

29 RELATED PARTIES (CONTINUED)

During the nine months ended 30 September 2013, the Group deposited cash with OAO Pervobank.

The Group's transactions and balances with OAO Pervobank as of the end and during the relevant periods are provided below:

	30 September 2013	31 December 2012
Cash and cash equivalents	960	1,647
	Three months ended 30 September 2013	Nine months ended 30 September 2013
Finance income		
Interest income on cash and cash equivalents	25	106

b) Significant transactions with the parties under Mr. Timchenko's control, joint control

The Gunvor Group, jointly controlled by Mr. Gennady N. Timchenko, is a related party of the Group. The Group primary transactions with the Gunvor Group are sales of energy products.

The Group's transactions and balances with the Gunvor Group during the relevant periods are set out below:

	30 September 2013		31 December 2012	
Trade and other receivables	-		5	
Trade and other payables	14		-	
	Three months ended 30 September		Nine months ended 30 September	
	2013	2012	2013	2012
Operating activities				
Sales of energy products	540	1,248	1,227	4,081

During the year ended 31 December 2012 and the nine months ended 30 September 2013, the Group entered into transactions with OAO Sroytransgaz and its subsidiary, OOO Sroytransgaz-M (together, the "Sroytransgaz companies"). The transactions primarily included purchases by the Group of construction, repair and maintenance services from the Sroytransgaz companies. The Group's transactions and balances with the Sroytransgaz companies as of the end and during the relevant periods are provided below:

	30 September 2013		31 December 2012	
Advances and prepayments for capital construction	305		1,053	
Trade and other payables	403		121	
	Three months ended 30 September		Nine months ended 30 September	
	2013	2012	2013	2012
Operating and investing activities				
Purchases of construction and repair and maintenance services	604	294	2,696	487

As of 30 September 2013, the Group had contractual capital expenditure commitments with Sroytransgaz Group of RR 1,258.

29 RELATED PARTIES (CONTINUED)

c) Remuneration of directors and key management

The Group's Board of Directors is 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 nine-month and three-month periods ended 30 September 2013 and 30 September 2012, the Company accrued RR 60 and RR 20, and RR 71 and RR 31, net of social taxes, respectively, to Board of Directors members as part of their compensation for the years ended 31 December 2013 and 2012.

Key management personnel comprised 15 individuals during the first nine months of 2013 (16 during the first nine months 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 671 and RR 130, and RR 906 and RR 359 net of social taxes, respectively, for the nine-month and three-month periods ended 30 September 2013 and 30 September 2012.

d) Equity-settled share-based payment plans for directors and key management

On 28 June 2013, a company beneficially owned by Mr. Mikhelson and Mr. Timchenko granted equity-settled share-based payment plans to certain current and former members of the Group's directors and key management. Consequently, the indirect interest beneficially owned by Mr. Mikhelson and Mr. Timchenko in the Company's share capital decreased from 94.5% to 82.5%. Furthermore, the total combined equity interest held by the current and former members of the Group's management increased from 5.5% to 17.5%.

The transactions resulting in this change in ownership were made through companies that are not under the control of the Group but through a company jointly and beneficially held by the major shareholders. Thus, at the Group level, there are no current or future cash payments or liabilities under both plans to be discussed below. However, under IFRS 2 *Share-based Payment*, the Group must recognise current and past service costs in its statement of profit or loss with corresponding amounts recorded in a statement of changes in equity.

The final terms of the plans, which cover certain members of the directors and key management (hereinafter, the "Participants") of the Group, were approved by the Group's shareholders in July 2013. These plans' terms and conditions vary for different Participants.

The First Plan - The plan for one group of Participants (hereinafter, the "First Plan") requires that the Participants provide services to the Group within a certain time period. If the services are terminated before the vesting date, the First Plan Participants retain their rights under the First Plan pro rata to the period of service provided. The granted shares are vested to each Participant annually in tranches. Each tranche comes to 20% of the total shares granted provided that the participant is continuously employed by the Company from the grant date until the applicable vesting date. Each tranche is accounted as a separate arrangement and expensed, together with a corresponding increase in shareholders' equity, on a straight-line basis over the vesting periods.

For the nine-month period ended 30 September 2013, the Group recognised RR 3,787 (USD 116 million) as expenses under the First Plan and a corresponding increase in other equity reserves. This charge relates to the services provided for the three months ended 30 September 2013.

The Second Plan - The plan for the other Participants (hereinafter, the "Second Plan") is immediately vested. The Second Plan Participants partially paid for the shares granted with the remainder to be paid at a later date with interest. For the nine-month period ended 30 September 2013, the Group recognised RR 340 (USD 10.4 million) as past service costs under the Second Plan and a corresponding increase in other equity reserves.

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(UNAUDITED)

(In millions of Russian roubles, unless otherwise stated)

29 RELATED PARTIES (CONTINUED)

e) 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 out below:

	30 September 2013	31 December 2012
Loans receivable	3,542	1,661
Short-term debt	1,500	625
Trade and other receivables	391	68
Trade and other payables	1,268	423

	Three months ended		Nine months ended	
	30 September		30 September	
	2013	2012	2013	2012
Operating and investing activities				
Purchases of materials, goods and services	1,924	1,538	5,466	4,843
Purchases of processing services	1,534	-	2,993	-
Sales of materials	371	174	916	1,648
Interest income	45	28	174	642

Balances outstanding as of 30 September 2013 and transactions for the three and six months ended 30 September 2013 included OOO Yugragazpererabotka, a former subsidiary which was deconsolidated and disclosed as a joint venture in March 2013 (Note 4) as follows:

	30 September 2013
Loans receivable	1,293
Trade and other receivables	211
Trade and other payables	796

	Three months ended		Six months ended	
	30 September 2013		30 September 2013	
	2013	2012	2013	2012
Operating and investing activities				
Purchases of materials, goods and services	1	-	54	-
Purchases of processing services	1,534	-	2,993	-
Sales of materials	273	-	638	-
Interest income	27	-	53	-

The Group has issued a finance guarantee for OOO Yugragazpererabotka's VAT liabilities as of 30 September 2013. The maximum credit risk exposures due to financial guarantees issued for the OOO Yugragazpererabotka came to RR 874.

30 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 crisis, 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.

30 COMMITMENTS, CONTINGENCIES AND OPERATING RISKS (CONTINUED)

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 condensed 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 and other matters. Although the Group's potential obligations under such warranties and indemnities may be material, the scope of such potential obligations cannot be accurately assessed until a specific claim is filed.

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. 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 relevant 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.

30 COMMITMENTS, CONTINGENCIES AND OPERATING RISKS (CONTINUED)

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, recreational facilities 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 30 September 2013, the Group had contractual capital expenditure commitments of RR 36,830.

31 EVENTS AFTER THE REPORTING DATE

On 25 October 2013, the Company's General Meeting of Shareholders voted to distribute RR 6,383 as dividends to the Company's shareholders by paying dividend rate of 2,93 Russian roubles per ordinary share. As of 31 October 2013, the dividends had been paid.

32 NEW ACCOUNTING DEVELOPMENTS

The Group has reviewed new and revised accounting pronouncements that have been issued as follows.

The adoption of IFRS 12 *Disclosure of Interest in Other Entities* (issued in May 2011 and effective for annual periods beginning on or after 1 January 2013) and IAS 19 *Employee Benefits* (issued in June 2011 and effective for periods beginning on or after 1 January 2013) will not have a material impact on the Group's financial position or operations but will require extended disclosures to be presented in the Group's annual consolidated financial statements.

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

- 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 Arrangement* (issued in May 2011 and effective for annual periods beginning on or after 1 January 2013);
- 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);

32 NEW ACCOUNTING DEVELOPMENTS (CONTINUED)

- *Improvements to International Financial Reporting Standards* (issued in May 2012 and effective for annual periods beginning on or after 1 January 2013); and
- 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 2013).

The Group is considering the implications of the following amendments, their impact on the Group and the timing of their 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);
- Amendments to IAS 36, *Recoverable amount disclosures for non-financial assets* (issued on 29 May 2013 and effective for annual periods beginning 1 January 2014; earlier application is permitted if IFRS 13 is applied for the same accounting and comparative period);
- Amendments to IAS 39, *Novation of Derivatives and Continuation of Hedge Accounting* (issued on 27 June 2013 and effective for annual periods beginning 1 January 2014); and
- IFRS 9, *Financial Instruments: Classification and Measurement* (issued in November 2009 and effective for annual periods beginning on or after 1 January 2015).

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