# JOINT STOCK COMPANY "DOROGOBUZH"

**Consolidated Condensed Interim Financial Information** 

For the three months ended 31 March 2013



# Contents

Unau	audited Consolidated Condensed Interim Statement of Financial Position	1
Unaı	audited Consolidated Condensed Interim Statement of Comprehensive Income	2
	audited Consolidated Condensed Interim Statement of Cash Flows	
	audited Consolidated Condensed Interim Statement of Changes in Equity	
Note	es to the Unaudited Consolidated Condensed Interim Financial Information	
1	Dorogobuzh Group and its Operations	5
2	Basis of Preparation	5
3	Significant Accounting Policies	
4	Balances and Transactions with Related Parties	5
5	Cash and Cash Equivalents	6
6	Accounts Receivable	
7	Inventories	7
8	Property, Plant and Equipment	
9	Investment in Equity accounted investees	
10	Accounts Payable	
11	Short-Term and Long-Term Borrowings	
12	Finance Income / (expenses), net	
13	Other Operating Income / (expenses), net	
14	Earnings per Share	
15	Income Taxes	
16	Subsequent Events	0

# Joint Stock Company "Dorogobuzh" Consolidated Condensed Interim Statement of Financial Position at 31 March 2013 (unaudited) and 31 December 2012



(in millions of Russian Roubles)

Non-current assets	1	Note	31 March 2013 3	1 December 2012
Property, plant and equipment Investment In equity accounted investees         9         1,866         1,860           Available-for-sale investments         34         34           Loans receivable         15,713         13,433           Other non-current assets         22,578         20,295           Current assets         7         1,620         1,831           Inventories         7         1,620         1,831           Loans receivable         6         2,707         2,885           Cash and cash equivalents         5         2,657         2,849           Cash and cash equivalents         5         2,625         940           Irrevocable bank deposits         5         1,451         1,435           Other current assets         31         37           Total current assets         13,284         10,730           Other current assets         13,284         10,735           Share capital         1,735         1,735           Share capital         1,735         1,735           Share capital and reserves attributable to the Company's owners         24,158         22,921           Evaluation reserve         2         2,232         2,022           Revaluation reserves attributable to the	ASSETS			
Investment in equity accounted investees         9         1,866         1,860           Available-for-sale investments         34         34           Cuans receivable         15,713         13,433           Other non-current assets         21,578         20,295           Current assets         22,578         20,295           Current assets         7         1,620         1,831           Loans receivable         6         2,707         2,885           Accounts receivable         6         2,707         2,885           Trading investments         5         2,625         940           Irrevocable bank deposits         5         1,451         1,435           Other current assets         13,284         10,730           Total current assets         35,862         31,025           EQUITY         Share capital         1,735         1,735           Share premium         9         9         9           Retained earnings         2         22,329         21,092           Revaluation reserve         24,158         22,921           TOTAL EQUITY         24,158         22,921           TOTAL Equiting and reserves attributable to the Company's owners         24,158 <th< td=""><td>Non-current assets</td><td></td><td></td><td></td></th<>	Non-current assets			
Available-for-sale investments         34         34           Loans receivable         15,713         13,433           Other non-current assets         22,578         20,295           Current assets         7         1,620         1,831           Loans receivable         6         2,707         2,885           Loans receivable         6         2,707         2,885           Accounts receivable         6         2,707         2,885           Cash and cash equivalents         5         2,625         940           Irrevocable bank deposits         5         1,451         1,435           Other current assets         31         3,7         3,7           Total current assets         13,284         10,730           TOTAL ASSETS         35,862         31,025           EQUITY         35         2,222         21,092           Evaluation reserve         2         2         2         2,092         21,092           Revaluation reserve         2         2         2         2         2         2         2         2         2         2         2         2         2         2         2         2         2         2         2	Property, plant and equipment	8	4,652	4,671
Loans receivable Other non-current assets         15,713 3 297           Other non-current assets         22,578 20,295           Total non-current assets         22,578 20,295           Current assets         7 1,620 1,831           Inventories         7 1,620 1,993 753           Accounts receivable         6 2,707 2,885           Accounts receivable         6 2,707 2,885           Trading investments         5 2,625 940           Cash and cash equivalents         5 1,451 1,435           Trading investment assets         31 3         37           Other current assets         31 3,284 10,735         10,735           Total current assets         35,862 31,025         31,025           EQUITY         Stace capital         1,735 1,735         1,735           Share premium         94 94 94         94         94           Retained earnings         22,329 21,092         22,929           Revaluation reserve         24,158 22,921         22,921           ToTAL EQUITY         24,158 22,921         22,921           ToTAL EQUITY         24,158 22,921         22,921           Total on-current liabilities         11 8,635 5,455         3,65           Cother long-term liabilities         10 656 844         3,66	Investment in equity accounted investees	9	1,866	1,860
Other non-current assets         313         297           Total non-current assets         22,578         20,295           Current assets         2,2578         20,295           Inventories         7         1,620         1,831           Loans receivable         6         2,707         2,885           Accounts receivable         6         2,707         2,885           Trading investments         5         2,857         2,849           Cash and cash equivalents         5         2,625         940           Irrevocable bank deposits         5         1,451         1,435           Other current assets         31         37           Total current assets         31,284         10,730           Total current assets         35,862         31,025           EQUITY         Share capital         1,735         1,735           Share premium         9         4         94           Retained earnings         22,329         21,092           Revaluation reserve         2         2,292           Evaluation reserves attributable to the Company's owners         24,158         22,921           Total EQUITY         24,158         22,921           Non-current li	Available-for-sale investments			34
Total non-current assets         22,578         20,295           Current assets         7         1,620         1,831           Loans receivable         7         1,620         1,831           Loans receivable         6         2,707         2,855           Accounts receivable         6         2,707         2,885           Trading investments         5         2,625         940           Irrevocable bank deposits         5         1,451         1,435           Other current assets         31         37           Total current assets         31,284         10,730           TOTAL ASSETS         35,862         31,025           EQUITY         Share capital         1,735         1,735           Share premium         94         94           Retained earnings         22,329         21,092           Revaluation reserve         -         -           TOTAL EQUITY         24,158         22,921           TOTAL EQUITY         24,158         22,921           TOTAL EQUITY         24,158         25,252           Laans and borrowings         11         8,635         5,455           Other long-term liabilities         9,099         5,920 <td>Loans receivable</td> <td></td> <td></td> <td></td>	Loans receivable			
Current assets         Inventories         7         1,620         1,831           Loans receivable         1,993         753           Accounts receivable         6         2,707         2,885           Trading investments         2,857         2,849           Cash and cash equivalents         5         2,625         940           Irrevocable bank deposits         5         1,451         1,435           Other current assets         31         37           Total current assets         31,284         10,730           TOTAL ASSETS         35,862         31,025           EQUITY         Total current assets         1,735         1,735           Share capital         1,735         1,735         1,735           Share premium         94				
Inventories         7         1,620         1,831           Loans receivable         1,993         753           Accounts receivable         6         2,707         2,885           Trading investments         2,857         2,849           Cash and cash equivalents         5         2,625         940           Irrevocable bank deposits         5         1,451         1,435           Other current assets         31         37           Total current assets         13,284         10,730           TOTAL ASSETS         35,862         31,025           EQUITY         35,862         31,025           Share capital         1,735         1,735           Share capital         94         94           Retained earnings         22,329         21,092           Revaluation reserve         22,329         21,092           Revaluation reserves attributable to the Company's owners         24,158         22,921           TOTAL EQUITY         24,158         22,921           TOTAL EQUITY         3,63         5,455           Cother long-term liabilities         10         6,56         8,44           Loans and borrowings         11         8,635         5,455	Total non-current assets		22,578	20,295
Loans receivable         1,993         753           Accounts receivable         6         2,707         2,885           Trading investments         2,857         2,849           Cash and cash equivalents         5         2,625         940           Irrevocable bank deposits         5         1,451         1,435           Other current assets         31         37         7           Total current assets         13,284         10,730           TOTAL ASSETS         35,862         31,025           EQUITY           Share capital         1,735         1,735           Share premium         94         94           Retained earnings         22,329         21,092           Revaluation reserve         -         -           Evaluation reserve         2,329         21,092           Total EQUITY         24,158         22,921           TOTAL EQUITY         24,158         22,921           TOTAL EQUITY         24,158         26,951           Loans and borrowings         11         8,635         5,455           Other long-term liabilities         9,099         5,920           Current liabilities         <				
Accounts receivable         6         2,707         2,885           Trading investments         2,857         2,849           Cash and cash equivalents         5         2,625         940           Irevocable bank deposits         5         1,451         1,435           Other current assets         31         37           Total current assets         13,284         10,730           TOTAL ASSETS         35,862         31,025           EQUITY         5         1,735         1,735           Share capital         1,735         1,735         1,735           Share premium         94         94         94           Retained earnings         22,329         21,092         22,329         21,092           Revaluation reserve         24,158         22,921         22,921           TOTAL EQUITY         24,158         22,921           TOTAL EQUITY         24,158         22,921           Loans and borrowings         11         8,635         5,455           Other long-term liabilities         9,099         5,920           Current liabilities         9,099         5,920           Current liabilities         10         656         844		7		,
Trading investments         2,857         2,849           Cash and cash equivalents         5         2,625         940           Irrevocable bank deposits         5         1,451         1,435           Other current assets         31         37           Total current assets         13,284         10,730           TOTAL ASSETS         35,862         31,025           EQUITY         1,735         1,735           Share capital         1,735         1,735           Share premium         94         94           Retained earnings         22,329         21,092           Revaluation reserve         -         -           TOTAL EQUITY         24,158         22,921           TOTAL EQUITY         24,158         22,921           LIABILITIES         11         8,635         5,455           Non-current liabilities         102         102           Loans and borrowings         11         8,635         363           Total non-current liabilities         9,099         5,920           Current liabilities         9,099         5,920           Current liabilities         10         656         844           Income tax payable				
Cash and cash equivalents         5         2,625         940           Irrevocable bank deposits         5         1,451         1,435           Other current assets         31         37           Total current assets         13,284         10,730           TOTAL ASSETS         35,862         31,025           EQUITY           Share capital         1,735         1,735           Share premium         94         94           Retained earnings         22,329         21,092           Revaluation reserve         -         -           Share capital and reserves attributable to the Company's owners         24,158         22,921           TOTAL EQUITY         24,158         22,921           TOTAL EQUITY         24,158         22,921           LIABILITIES         8         22,921           Non-current liabilities         102         102           Loans and borrowings         11         8,635         5,455           Other long-term liabilities         9,099         5,920           Total non-current liabilities         9,099         5,920           Current liabilities         10         656         844		6		,
Irrevocable bank deposits Other current assets         5         1,451 (1,451) (1,435		_		,
Other current assets         31         37           Total current assets         13,284         10,730           TOTAL ASSETS         35,862         31,025           EQUITY         Share capital         1,735         1,735           Share premium         94         94           Retained earnings         22,329         21,092           Revaluation reserve         -         -           Share capital and reserves attributable to the Company's owners         24,158         22,921           TOTAL EQUITY         24,158         22,921           Loans and borrowings         11         8,635         5,455           Other long-term liabilities         102         102         102           Deferred tax liability         362         363         363         363           Total non-current liabilities         9,099         5,920           Current liabilities         9,099         5,920           Current liabilities         10         656         844           Income tax payable         11         1,256         592           Advances received         473         552           Total current liabilities         2,605         2,184           Total current liabilities			,	
Total current assets         13,284         10,730           TOTAL ASSETS         35,862         31,025           EQUITY         Share capital         1,735         1,735           Share premium         94         94           Retained earnings         22,329         21,092           Revaluation reserve         -         -           Share capital and reserves attributable to the Company's owners         24,158         22,921           TOTAL EQUITY         24,158         22,921           LIABILITIES         Non-current liabilities         Secondary of the color	·	5		
TOTAL ASSETS         35,862         31,025           EQUITY           Share capital         1,735         1,735           Share premium         94         94           Retained earnings         22,329         21,092           Revaluation reserve         -         -           Share capital and reserves attributable to the Company's owners         24,158         22,921           TOTAL EQUITY         24,158         22,921           LiABILITIES           Non-current liabilities         11         8,635         5,455           Other long-term liabilities         102         102         102           Deferred tax liability         362         363         363           Total non-current liabilities         9,099         5,920           Current liabilities           Accounts payable         10         656         844           Income tax payable         81         60           Loans and borrowings         11         1,256         592           Advances received         473         552           Total current liabilities         2,605         2,184           Total current liabilities				
EQUITY           Share capital         1,735         1,735           Share premium         94         94           Retained earnings         22,329         21,092           Revaluation reserve         -         -           Share capital and reserves attributable to the Company's owners         24,158         22,921           TOTAL EQUITY         24,158         22,921           LIABILITIES           Non-current liabilities           Loans and borrowings         11         8,635         5,455           Other long-term liabilities         102         102           Other long-term liabilities         362         363           Total non-current liabilities         9,099         5,920           Current liabilities         9,099         5,920           Accounts payable         10         656         844           Income tax payable         81         60           Loans and borrowings         11         1,256         592           Advances received         473         552           Total current liabilities         2,605         2,184           Total current liabilities         2,605         2,184	l otal current assets		13,284	10,730
Share capital         1,735         1,735           Share premium         94         94           Retained earnings         22,329         21,092           Revaluation reserve         -         -           Share capital and reserves attributable to the Company's owners         24,158         22,921           LIABILITIES           Non-current liabilities           Loans and borrowings         11         8,635         5,455           Other long-term liabilities         102         102         102           Deferred tax liability         362         363         363         363           Total non-current liabilities         9,099         5,920         5,920           Current liabilities         10         656         844           Income tax payable         10         656         844           Income tax payable         81         60           Loans and borrowings         11         1,256         592           Advances received         473         552           Total current liabilities         2,605         2,184           Total current liabilities         11,704         8,104	TOTAL ASSETS		35,862	31,025
Share capital         1,735         1,735           Share premium         94         94           Retained earnings         22,329         21,092           Revaluation reserve         -         -           Share capital and reserves attributable to the Company's owners         24,158         22,921           LIABILITIES           Non-current liabilities           Loans and borrowings         11         8,635         5,455           Other long-term liabilities         102         102         102           Deferred tax liability         362         363         363         363           Total non-current liabilities         9,099         5,920         5,920           Current liabilities         10         656         844           Income tax payable         10         656         844           Income tax payable         81         60           Loans and borrowings         11         1,256         592           Advances received         473         552           Total current liabilities         2,605         2,184           Total current liabilities         11,704         8,104	EQUITY			
Share premium         94         94           Retained earnings         22,329         21,092           Revaluation reserve         -         -           Share capital and reserves attributable to the Company's owners         24,158         22,921           TOTAL EQUITY         24,158         22,921           LIABILITIES           Non-current liabilities           Loans and borrowings         11         8,635         5,455           Other long-term liabilities         102         102           Deferred tax liability         362         363           Total non-current liabilities         9,099         5,920           Accounts payable         10         656         844           Income tax payable         139         136           Other taxes payable         81         60           Loans and borrowings         11         1,256         592           Advances received         473         552           Total current liabilities         2,605         2,184           TOTAL LIABILITIES         11,704         8,104			1 705	1 725
Retained earnings         22,329         21,092           Revaluation reserve         -         -           Share capital and reserves attributable to the Company's owners         24,158         22,921           TOTAL EQUITY         24,158         22,921           LIABILITIES           Non-current liabilities           Loans and borrowings         11         8,635         5,455           Other long-term liabilities         102         102           Deferred tax liability         362         363           Total non-current liabilities         9,099         5,920           Current liabilities         8         44           Income tax payable         10         656         844           Income tax payable         8         60           Other taxes payable         8         60           Loans and borrowings         11         1,256         592           Advances received         473         552           Total current liabilities         2,605         2,184           TOTAL LIABILITIES         11,704         8,104			,	,
Revaluation reserve         -         -           Share capital and reserves attributable to the Company's owners         24,158         22,921           TOTAL EQUITY         24,158         22,921           LIABILITIES           Non-current liabilities           Loans and borrowings         11         8,635         5,455           Other long-term liabilities         102         102         102           Deferred tax liability         362         363           Total non-current liabilities         9,099         5,920           Current liabilities         10         656         844           Income tax payable         10         656         844           Income tax payable         81         60           Loans and borrowings         11         1,256         592           Advances received         473         552           Total current liabilities         2,605         2,184           TOTAL LIABILITIES         11,704         8,104			-	-
Share capital and reserves attributable to the Company's owners         24,158         22,921           TOTAL EQUITY         24,158         22,921           LIABILITIES	<del>-</del>		22,329	21,092
TOTAL EQUITY         24,158         22,921           LIABILITIES           Non-current liabilities           Loans and borrowings         11         8,635         5,455           Other long-term liabilities         102         102           Deferred tax liability         362         363           Total non-current liabilities         9,099         5,920           Current liabilities         10         656         844           Income tax payable         139         136           Other taxes payable         81         60           Loans and borrowings         11         1,256         592           Advances received         473         552           Total current liabilities         2,605         2,184           TOTAL LIABILITIES         11,704         8,104			24.158	22,921
LIABILITIES         Non-current liabilities       11       8,635       5,455         Other long-term liabilities       102       102         Deferred tax liability       362       363         Total non-current liabilities       9,099       5,920         Current liabilities       0       656       844         Income tax payable       139       136         Other taxes payable       81       60         Loans and borrowings       11       1,256       592         Advances received       473       552         Total current liabilities       2,605       2,184         TOTAL LIABILITIES       11,704       8,104			·	-
Non-current liabilities         Loans and borrowings       11       8,635       5,455         Other long-term liabilities       102       102         Deferred tax liability       362       363         Total non-current liabilities       9,099       5,920         Current liabilities       10       656       844         Income tax payable       139       136         Other taxes payable       81       60         Loans and borrowings       11       1,256       592         Advances received       473       552         Total current liabilities       2,605       2,184         TOTAL LIABILITIES       11,704       8,104				
Loans and borrowings       11       8,635       5,455         Other long-term liabilities       102       102         Deferred tax liability       362       363         Total non-current liabilities       9,099       5,920         Current liabilities       10       656       844         Income tax payable       139       136         Other taxes payable       81       60         Loans and borrowings       11       1,256       592         Advances received       473       552         Total current liabilities       2,605       2,184         TOTAL LIABILITIES       11,704       8,104	LIABILITIES			
Other long-term liabilities       102       102         Deferred tax liability       362       363         Total non-current liabilities       9,099       5,920         Current liabilities         Accounts payable       10       656       844         Income tax payable       139       136         Other taxes payable       81       60         Loans and borrowings       11       1,256       592         Advances received       473       552         Total current liabilities       2,605       2,184         TOTAL LIABILITIES       11,704       8,104	Non-current liabilities			
Other long-term liabilities       102       102         Deferred tax liability       362       363         Total non-current liabilities       9,099       5,920         Current liabilities         Accounts payable       10       656       844         Income tax payable       139       136         Other taxes payable       81       60         Loans and borrowings       11       1,256       592         Advances received       473       552         Total current liabilities       2,605       2,184         TOTAL LIABILITIES       11,704       8,104	Loans and borrowings	11	8,635	5,455
Total non-current liabilities         9,099         5,920           Current liabilities         30         656         844           Accounts payable         10         656         844           Income tax payable         139         136           Other taxes payable         81         60           Loans and borrowings         11         1,256         592           Advances received         473         552           Total current liabilities         2,605         2,184           TOTAL LIABILITIES         11,704         8,104	Other long-term liabilities		102	102
Current liabilities           Accounts payable         10         656         844           Income tax payable         139         136           Other taxes payable         81         60           Loans and borrowings         11         1,256         592           Advances received         473         552           Total current liabilities         2,605         2,184           TOTAL LIABILITIES         11,704         8,104	Deferred tax liability		362	363
Accounts payable       10       656       844         Income tax payable       139       136         Other taxes payable       81       60         Loans and borrowings       11       1,256       592         Advances received       473       552         Total current liabilities       2,605       2,184         TOTAL LIABILITIES       11,704       8,104	Total non-current liabilities		9,099	5,920
Income tax payable       139       136         Other taxes payable       81       60         Loans and borrowings       11       1,256       592         Advances received       473       552         Total current liabilities       2,605       2,184         TOTAL LIABILITIES       11,704       8,104	Current liabilities			
Other taxes payable       81       60         Loans and borrowings       11       1,256       592         Advances received       473       552         Total current liabilities       2,605       2,184         TOTAL LIABILITIES       11,704       8,104	Accounts payable	10	656	844
Loans and borrowings       11       1,256       592         Advances received       473       552         Total current liabilities       2,605       2,184         TOTAL LIABILITIES       11,704       8,104	Income tax payable		139	136
Advances received         473         552           Total current liabilities         2,605         2,184           TOTAL LIABILITIES         11,704         8,104			-	
Total current liabilities2,6052,184TOTAL LIABILITIES11,7048,104	Loans and borrowings	11		
TOTAL LIABILITIES 11,704 8,104	Advances received			
	Total current liabilities		2,605	2,184
TOTAL LIABILITIES AND EQUITY 35,862 31,025	TOTAL LIABILITIES		11,704	8,104
	TOTAL LIABILITIES AND EQUITY		35,862	31,025

Approved for issue and signed on behalf of the Board of Directors on 28 May 2013.

V.Y. Kunitskiy	A.V. Milenkov
President	Finance Director

# Joint Stock Company "Dorogobuzh" Consolidated Condensed Interim Statement of Comprehensive Income for the three months ended 31 March 2013 and 31 March 2012 (unaudited)



(in millions of Russian Roubles, except for per share amounts)

			e months ended
	Note	31 March 2013	31 March 2012
Revenue		4,633	4,477
Cost of sales		(2,590)	(2,388)
Gross profit		2,043	2,089
Transportation expenses		(328)	(302)
Selling, general and administrative expenses		(368)	(457)
(Loss)/gain on disposal of property, plant and equipment, net	8	(2)	-
Gain on sale of investments		1	248
Other operating income / (expenses), net	13	165	(196)
Operating profit		1,511	1,382
Finance income / (expenses), net	12	167	868
Interest expense		(108)	(86)
Share of profit of equity accounted investees	9	6	27
Profit before taxation		1,576	2,191
Income tax expense	15	(339)	(496)
Net profit for the period		1,237	1,695
Other comprehensive (loss)/ income:			
Available-for-sale investments:			
- Gains less losses arising during the periods		-	52
- Disposal of available-for-sale investment-reclassification of			(240)
revaluation to profit and loss		-	(248)
- Income tax recorded directly in other comprehensive income		-	39
Other comprehensive loss for the period		-	(157)
Total comprehensive income for the period		1,237	1,538
Net profit is attributable to:			
Owners of the Company		1,237	1,695
Net profit for the period		1,237	1,695
		-,	.,,,,,
Total comprehensive income is attributable to:			
Owners of the Company		1,237	1,695
Total comprehensive income for the period		1,237	1,695
Earnings per share, basic and diluted (expressed in Russian			
Roubles)	14	1.41	1.94

# Joint Stock Company "Dorogobuzh" Consolidated Condensed Interim Statement of Cash Flows for the three months ended 31 March 2013 and 31 March 2012 (unaudited)



(in millions of Russian Roubles)

Cash flows from operating activities         2,191           Profit before taxation         1,576         2,191           Adjustments for:         2           Depreciation         8         120         97           Reversal off (provision for) impairment of accounts receivable         -         -         1           Share of profit of equity accounted investees         (6)         (27)           Loss on disposal of property, plant and equipment         2         -           Loss on disposal of property, plant and equipment         2         -           Interest scome         (386)         (324)           Gain on sale of investments         (10)         (248)           Gorigin exchange effect on non-operating balances         131         (542)           Operating cash flows before working capital changes         1,544         1,234           (Increase) decrease in gross trade receivables         202         45           (Increase) decrease in decrease in exceedables         202         45           (Increase) decrease in other receivables         378         265           (Increase) decrease in other current assets         2         1         2           (Increase) decrease in interest payables         200         137         2			Thre	e months ended
1,576   2,191		Note	31 March 2013	31 March 2012
Adjustments for:	Cash flows from operating activities			
Depreciation         8         120         97           Reversal oft/ (provision for) impairment of accounts receivable         -         1           Share of profit of equity accounted investees         (6)         (27)           Loss on disposal of property, plant and equipment         2         -           Interest expense         108         86           Interest expense         (386)         (324)           Sain on sale of investments         (1)         (248)           Foreign exchange effect on non-operating balances         131         (542)           Operating cash flows before working capital changes         1,544         1,234           (Increase)/ decrease in softer receivables         202         45           (Increase)/ decrease in advances to suppliers         (26)         155           (Increase)/ decrease in internetionies         211         2           (Increase)/ decrease in other receivables         200         117           (Increase)/ decrease in other payables         200         117           (Increase)/ decrease in indep payables         33         (52)           (Increase)/ decrease in other payables         33         (52)           (Increase)/ decrease in indep payables         33         (52)           (Increase)/ de			1,576	2,191
Reversal of (provision for) impairment of accounts receivable   -   (27)	•	0	400	07
Share of profit of equity accounted investees         (6)         (27)           Loss on disposal of property, plant and equipment         2         2           Interest expense         108         86           Interest stypense         108         86           Gain on sale of investments         (1)         (248)           Foreign exchange effect on non-operating balances         131         (542)           Operating cash flows before working capital changes         1,544         1,234           (Increase)/ decrease in gross trade receivables         202         45           (Increase)/ decrease in devence receivables         202         45           (Increase)/ decrease in inventories         211         2           (Increase)/ decrease in other current assets         -         (789)           (Increase)/ decrease in inter de payables         200         117           (Increase)/ decrease in other payables         33         (52)           (Increase)/ decrease in oth		8	120	
Loss on disposal of property, plant and equipment Interest expense         2         108         86           Interest expense         (386)         (324)         (324)           Gain on sale of investments         (11)         (248)         (324)           Grorign exchange effect on non-operating balances         131         (542)           Operating cash flows before working capital changes         1,544         1,234           (Increase) decrease in gross trade receivables         202         45           (Increase) decrease in other creceivables         378         265           (Increase) decrease in other receivables         378         265           (Increase) decrease in inventories         211         2           (Increase) decrease in other current assets         -         (789)           Increase) decrease in inventories         33         (52)           (Increase) decrease in other payables         (300)         117           (Increase) decrease in other payables         (300)         117           (Increase) decrease in inventories         (79)         138           Net change in other current assets and liabilities         6         770           Cash generated from operating         (335)         (343)           Income taxes paid         (30			(6)	· ·
Interest expense         108         86           Interest income         (386)         (324)           Gain on sale of investments         (1)         (248)           Foreign exchange effect on non-operating balances         131         (542)           Operating cash flows before working capital changes         1,544         1,234           (Increase) decrease in gross trade receivables         202         45           (Increase) decrease in other receivables         378         265           (Increase) decrease in inventories         211         2           (Increase) decrease in inventories         211         2           (Increase) decrease in inter payables         (200)         117           (Increase) decrease in other current assets         (200)         117           (Increase) decrease in other payables         (30         52           (Increase) decrease in other payables         (30         62           (Increase) decrease in other payables         (30 <td></td> <td></td> <td></td> <td>(21)</td>				(21)
Interest income				86
Gain on sale of investments         (1)         (248)           Foreign exchange effect on non-operating balances         131         (542)           Operating cash flows before working capital changes         1,544         1,234           (Increase)/ decrease in gross trade receivables         202         45           (Increase)/ decrease in advances to suppliers         (26)         155           (Increase)/ decrease in inventories         211         2           (Increase)/ decrease in inventories         211         2           (Increase)/ decrease in intender payables         (200)         117           (Increase)/ decrease in in trade payables         33         (52)           (Increase)/ decrease in other payables         33         (52) <td< td=""><td></td><td></td><td></td><td></td></td<>				
Foreign exchange effect on non-operating balances   131   (542)				, ,
(Increase) / decrease in gross trade receivables (26) 45 (Increase) / decrease in advances to suppliers (26) 155 (Increase) / decrease in other receivables 378 265 (Increase) / decrease in inventories 211 2 2 (Increase) / decrease in inventories 211 2 2 (Increase) / decrease in inventories 211 2 2 (Increase) / decrease in trade payables 211 (200) 117 (Increase) / decrease in other current assets (200) 117 (Increase) / decrease in other payables (200) 117 (Increase) / decrease in other payables 33 (52) (Increase) / decrease) in advances from customers (79) 138 Net change in other current assets and liabilities 6 770 (26sh generated from operations 2,069 1,885 (100) (126) (12	Foreign exchange effect on non-operating balances			, ,
Increase   decrease in advances to suppliers   378   265     Increase   decrease in other receivables   378   265     Increase   decrease in inventories   211   2     Increase   decrease in inventories   211   2     Increase   decrease in other current assets   - (789)   117     Increase   decrease   in trade payables   33   (52)     Increase   decrease   in advances from customers   (79)   138     Increase   decrease   in advances from customers   (79)   138     Increase   decrease   in advances from customers   (79)   138     Increase   decrease   in other payables   6   770     Cash generated from operations   2,069   1,885     Income taxes paid   (335)   (343)     Interest paid   (126)   (58)     Net cash generated from operating activities   1,608   1,484     Cash flows from investing activities   (160   3500)   (2,630)     Proceeds from loans repaid   (3,500)   (2,630)     Interest paid   (3,500)   (2,630)     Interest received   (3,500)   (2,630)     Interest received   (3,500)   (3,630)     Interest received   (3	Operating cash flows before working capital changes		1,544	1,234
(Increase)/ decrease in other receivables       378       265         (Increase)/ decrease in inventories       211       2         (Increase)/ decrease in other current assets       -       (789)         Increase/ (decrease) in trade payables       (200)       117         (Increase)/ decrease in other payables       33       (52)         (Increase)/ (decrease) in advances from customers       (79)       138         Net change in other current assets and liabilities       6       770         Cash generated from operations       2,069       1,885         Income taxes paid       (335)       (343)         Income taxes paid       (335)       (343)         Interest paid       (126)       (58)         Net cash generated from operating activities       1,608       1,484         Cash flows from investing activities       8       1,484         Cash flows from investing activities       (87)       (138)         Purchase of property, plant and equipment       (87)       (138)         Loans provided       (3,500)       (2,630)         Proceeds from loans repaid       -       1,167         Interest received       10       376         Proceeds from sale of varilable-for-sale investments       (327)	(Increase)/ decrease in gross trade receivables		202	45
Increase  decrease in inventories   211   2   2   1   2   2   1   2   2	(Increase)/ decrease in advances to suppliers		(26)	155
Increase  decrease in other current assets   - (789)   117   (100)   117   (100)   (	(Increase)/ decrease in other receivables		378	265
Increase   (decrease) in trade payables   (200)   117   (Increase) / decrease in other payables   (33   (52)   (Increase) / decrease in other payables   (79   138   (52)   (38)   (34)   (36)   (345)   (34	(Increase)/ decrease in inventories		211	2
(Increase)/ decrease in other payables increase/ (decrease) in advances from customers       (79)       138         Net change in other current assets and liabilities       6       770         Cash generated from operations       2,069       1,885         Income taxes paid       (335)       (343)         Interest paid       (126)       (58)         Net cash generated from operating activities       1,608       1,484         Cash flows from investing activities       (87)       (138)         Purchase of property, plant and equipment       (87)       (138)         Loans provided       (3,500)       (2,630)         Proceeds from loans repaid       -       1,167         Interest received       10       376         Proceeds from sale of available-for-sale investments       -       248         Purchase in trading investments       (327)       (868)         Proceeds from sale of trading investments       (327)       (868)         Proceeds from sale of trading investments       (3590)       (1,845)         Vet cash used in investing activities       (3,590)       (1,845)         Cash flows from financing activities       (3,590)       (1,845)         Cash flows from borrowings       11       4,563       2,867	Increase)/ decrease in other current assets		-	(789)
Increase/ (decrease) in advances from customers Net change in other current assets and liabilities         (79)         138           Net change in other current assets and liabilities         2,069         1,885           Income taxes paid         (335)         (343)           Interest paid         (126)         (58)           Net cash generated from operating activities         1,608         1,484           Cash flows from investing activities         (87)         (138)           Purchase of property, plant and equipment         (87)         (138)           Loans provided         (3,500)         (2,630)           Proceeds from loans repaid         -         1,167           Interest received         10         376           Proceeds from sale of available-for-sale investments         -         248           Proceeds from sale of trading investments         (327)         (868)           Proceeds from fall (34)         (344)         (346)         (346)	Increase/ (decrease) in trade payables		(200)	117
Net change in other current assets and liabilities         6         770           Cash generated from operations         2,069         1,885           Income taxes paid         (335)         (343)           Interest paid         (126)         (58)           Net cash generated from operating activities         1,608         1,484           Cash flows from investing activities         8         1,608         1,484           Cash flows from investing activities         (87)         (138)           Purchase of property, plant and equipment         (87)         (138)           Loans provided         (3,500)         (2,630)           Proceeds from loans repaid         -         1,167           Interest received         10         376           Proceeds from sale of available-for-sale investments         -         2,48           Purchase in trading investments         (327)         (868)           Proceeds from sale of trading investments         330         -           Net change in other non-current assets         (16)         -           Net cash used in investing activities         (3,590)         (1,845)           Cash flows from financing activities         11         4,563         2,867           Repayment of borrowings <td< td=""><td>(Increase)/ decrease in other payables</td><td></td><td></td><td>(52)</td></td<>	(Increase)/ decrease in other payables			(52)
Cash generated from operations         2,069         1,885           Income taxes paid         (335)         (343)           Interest paid         (126)         (58)           Net cash generated from operating activities         1,608         1,484           Cash flows from investing activities         87         (138)           Purchase of property, plant and equipment         (87)         (138)           Loans provided         (3,500)         (2,630)           Proceeds from loans repaid         -         1,167           Interest received         10         376           Proceeds from sale of available-for-sale investments         -         248           Purchase in trading investments         (327)         (868)           Proceeds from sale of trading investments         330         -           Net cash used in investing activities         (3,590)         (1,845)           Cash flows from financing activities         (3,590)         (1,845)           Cash flows from financing activities         36         (3,500)           Proceeds from borrowings         11         4,563         2,867           Repayment of borrowings         11         (932)         (302)           Net cash provided from/(used in) financing activities <t< td=""><td>· · · · · · · · · · · · · · · · · · ·</td><td></td><td>(79)</td><td></td></t<>	· · · · · · · · · · · · · · · · · · ·		(79)	
Cash flows from investing activities   1,608   1,484	Net change in other current assets and liabilities		6	770
Net cash generated from operating activities   1,608   1,484     Cash flows from investing activities	Cash generated from operations		2,069	1,885
Net cash generated from operating activities   1,608   1,484   1,484   1,608   1,484   1,484   1,608   1,484   1,484   1,608   1,484   1,484   1,608   1,484   1,484   1,608   1,484   1,484   1,608   1,484   1,484   1,608   1,484   1,484   1,608   1,484	Income taxes paid		(335)	(343)
Cash flows from investing activities         Purchase of property, plant and equipment       (87)       (138)         Loans provided       (3,500)       (2,630)         Proceeds from loans repaid       -       1,167         Interest received       10       376         Proceeds from sale of available-for-sale investments       -       248         Purchase in trading investments       (327)       (868)         Proceeds from sale of trading investments       330       -         Net change in other non-current assets       (16)       -         Net cash used in investing activities       (3,590)       (1,845)         Cash flows from financing activities       3       2,867         Proceeds from borrowings       11       4,563       2,867         Repayment of borrowings       11       (932)       (302)         Net cash provided from/(used in) financing activities       3,631       2,565         Effect of exchange rate changes on cash and cash equivalents       36       (116)         Net increase in cash and cash equivalents       1,685       2,088         Cash and cash equivalents at the beginning of the year       5       940       1,962	Interest paid .			(58)
Purchase of property, plant and equipment       (87)       (138)         Loans provided       (3,500)       (2,630)         Proceeds from loans repaid       -       1,167         Interest received       10       376         Proceeds from sale of available-for-sale investments       -       248         Purchase in trading investments       (327)       (868)         Proceeds from sale of trading investments       330       -         Net change in other non-current assets       (16)       -         Net cash used in investing activities       (3,590)       (1,845)         Cash flows from financing activities       3,630       2,867         Repayment of borrowings       11       4,563       2,867         Repayment of borrowings       11       (932)       (302)         Net cash provided from/(used in) financing activities       3,631       2,565         Effect of exchange rate changes on cash and cash equivalents       36       (116)         Net increase in cash and cash equivalents       1,685       2,088         Cash and cash equivalents at the beginning of the year       5       940       1,962	Net cash generated from operating activities		1,608	1,484
Purchase of property, plant and equipment       (87)       (138)         Loans provided       (3,500)       (2,630)         Proceeds from loans repaid       -       1,167         Interest received       10       376         Proceeds from sale of available-for-sale investments       -       248         Purchase in trading investments       (327)       (868)         Proceeds from sale of trading investments       330       -         Net change in other non-current assets       (16)       -         Net cash used in investing activities       (3,590)       (1,845)         Cash flows from financing activities       3,630       2,867         Repayment of borrowings       11       4,563       2,867         Repayment of borrowings       11       (932)       (302)         Net cash provided from/(used in) financing activities       3,631       2,565         Effect of exchange rate changes on cash and cash equivalents       36       (116)         Net increase in cash and cash equivalents       1,685       2,088         Cash and cash equivalents at the beginning of the year       5       940       1,962	Cash flows from investing activities			
Loans provided       (3,500)       (2,630)         Proceeds from loans repaid       -       1,167         Interest received       10       376         Proceeds from sale of available-for-sale investments       -       248         Purchase in trading investments       (327)       (868)         Proceeds from sale of trading investments       330       -         Net change in other non-current assets       (16)       -         Net cash used in investing activities       (3,590)       (1,845)         Cash flows from financing activities       3,590)       (1,845)         Proceeds from borrowings       11       4,563       2,867         Repayment of borrowings       11       (932)       (302)         Net cash provided from/(used in) financing activities       3,631       2,565         Effect of exchange rate changes on cash and cash equivalents       36       (116)         Net increase in cash and cash equivalents       1,685       2,088         Cash and cash equivalents at the beginning of the year       5       940       1,962	Purchase of property, plant and equipment		(87)	(138)
Interest received Proceeds from sale of available-for-sale investments Purchase in trading investments Proceeds from sale of trading investments Proceeds from other non-current assets Proceeds in investing activities  Cash flows from financing activities Proceeds from borrowings Proceeds from borrowing	Loans provided		(3,500)	(2,630)
Proceeds from sale of available-for-sale investments Purchase in trading investments Proceeds from sale of trading investments Proceeds from other non-current assets Proceeds in investing activities Proceeds from borrowings Proc	Proceeds from loans repaid		-	1,167
Purchase in trading investments (327) (868) Proceeds from sale of trading investments 330 - Net change in other non-current assets (16) - Net cash used in investing activities (3,590) (1,845)  Cash flows from financing activities Proceeds from borrowings 11 4,563 2,867 Repayment of borrowings 11 (932) (302)  Net cash provided from/(used in) financing activities 3,631 2,565  Effect of exchange rate changes on cash and cash equivalents 36 (116)  Net increase in cash and cash equivalents 1,685 2,088  Cash and cash equivalents at the beginning of the year 5 940 1,962	Interest received		10	376
Proceeds from sale of trading investments  Net change in other non-current assets  Net cash used in investing activities  Cash flows from financing activities  Proceeds from borrowings  Proceeds from borrowings  11 4,563 2,867 Repayment of borrowings 11 (932) (302)  Net cash provided from/(used in) financing activities  Effect of exchange rate changes on cash and cash equivalents  Net increase in cash and cash equivalents  Cash and cash equivalents at the beginning of the year 5 940 1,962	Proceeds from sale of available-for-sale investments		-	_
Net cash used in investing activities (3,590) (1,845)  Cash flows from financing activities  Proceeds from borrowings 11 4,563 2,867 Repayment of borrowings 11 (932) (302)  Net cash provided from/(used in) financing activities 3,631 2,565  Effect of exchange rate changes on cash and cash equivalents 36 (116)  Net increase in cash and cash equivalents 1,685 2,088  Cash and cash equivalents at the beginning of the year 5 940 1,962			, ,	(868)
Net cash used in investing activities (3,590) (1,845)  Cash flows from financing activities  Proceeds from borrowings 11 4,563 2,867 Repayment of borrowings 11 (932) (302)  Net cash provided from/(used in) financing activities 3,631 2,565  Effect of exchange rate changes on cash and cash equivalents 36 (116)  Net increase in cash and cash equivalents 1,685 2,088  Cash and cash equivalents at the beginning of the year 5 940 1,962				-
Cash flows from financing activities Proceeds from borrowings 11 4,563 2,867 Repayment of borrowings 11 (932) (302)  Net cash provided from/(used in) financing activities 3,631 2,565  Effect of exchange rate changes on cash and cash equivalents 36 (116)  Net increase in cash and cash equivalents 1,685 2,088  Cash and cash equivalents at the beginning of the year 5 940 1,962				-
Proceeds from borrowings 11 4,563 2,867 Repayment of borrowings 11 (932) (302)  Net cash provided from/(used in) financing activities 3,631 2,565  Effect of exchange rate changes on cash and cash equivalents 36 (116)  Net increase in cash and cash equivalents 1,685 2,088  Cash and cash equivalents at the beginning of the year 5 940 1,962			(3,590)	(1,845)
Repayment of borrowings11(932)(302)Net cash provided from/(used in) financing activities3,6312,565Effect of exchange rate changes on cash and cash equivalents36(116)Net increase in cash and cash equivalents1,6852,088Cash and cash equivalents at the beginning of the year59401,962	Cash flows from financing activities	4.4	4.500	0.007
Net cash provided from/(used in) financing activities3,6312,565Effect of exchange rate changes on cash and cash equivalents36(116)Net increase in cash and cash equivalents1,6852,088Cash and cash equivalents at the beginning of the year59401,962				
Effect of exchange rate changes on cash and cash equivalents  Net increase in cash and cash equivalents  1,685  2,088  Cash and cash equivalents at the beginning of the year  5  940  1,962	Repayment of borrowings	11	(932)	(302)
Net increase in cash and cash equivalents  1,685  2,088  Cash and cash equivalents at the beginning of the year  5  940  1,962	Net cash provided from/(used in) financing activities		3,631	2,565
Cash and cash equivalents at the beginning of the year 5 940 1,962	Effect of exchange rate changes on cash and cash equivalents		36	(116)
	Net increase in cash and cash equivalents		1,685	2,088
Cash and cash equivalents at the end of the year 5 2,625 4,050	Cash and cash equivalents at the beginning of the year	5	940	1,962
	Cash and cash equivalents at the end of the year	5	2,625	4,050



	Са	pital and reserves at	tributable to the Co	mpany's owners	
	Share capital	Share	Retained	Revaluation	Total
		premium	earnings	reserve	equity
Balance at 1 January 2012	1,735	94	16,615	157	18,601
Comprehensive income					
Profit for the year	-	-	1,695	-	1,695
Other comprehensive income					
Fair value losses on available-for-sale investments	-	-	-	52	52
Disposal of Investment				(248)	(248)
Income tax recorded in other comprehensive income	-	-	-	39	39
Total other comprehensive income	-	-	-	(157)	(157)
Total comprehensive income	-	-	1,695	(157)	1,538
Balance at 31 March 2012	1,735	94	18,310	-	20,139
Balance at 1 January 2013	1,735	94	21,092	<u>-</u>	22,921
Comprehensive income					
Profit for the year	-	-	1,237		1,237
Other comprehensive income			•		<u>, , , , , , , , , , , , , , , , , , , </u>
Fair value gains on available-for-sale investments	-	-	-	-	-
Disposal of Investment	-	-	-	-	-
Income tax recorded in other comprehensive income	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	1,237	-	1,237
Balance at 31 March 2013	1,735	94	22,329	-	24,158

The accompanying notes on pages 5 to 9 are an integral part of this consolidated condensed interim financial information.



(in millions of Russian Roubles)

## 1 Dorogobuzh Group and its Operations

This unaudited consolidated condensed interim financial information for the three months ended 31 March 2013 comprises Joint Stock Company "Dorogobuzh" (the "Company" and "Dorogobuzh") and its subsidiaries (together referred to as the "Group" or "Dorogobuzh Group").

The Group's principal activities include the manufacture, distribution and sales of chemical fertilizers and related by-products. The Group's manufacturing facilities are primarily based in the Smolensk region of Russia.

The Company's registered office is at Verkhnedneprovsky settlement, Dorogobuzh district, Smolensk region, 215753. Russian Federation.

The Group's parent company is JSC Acron (Russian Federation). The Group's ultimate parent is Subero Associates Inc (British Virgin Islands). As at 31 December 2012 and 2011 the Group was ultimately controlled by Mr. Viacheslav Kantor.

# 2 Basis of Preparation

# 2.1 Statement of compliance

This consolidated condensed interim financial information has been prepared in accordance with IAS 34, Interim Financial Reporting. It does not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2012.

#### 2.2 Judgements and estimates

Preparing the consolidated condensed interim financial information requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated condensed interim financial information, significant judgments made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2012.

### 3 Significant Accounting Policies

The accounting policies and judgments applied by the Group in this consolidated condensed interim financial information are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2012.

#### 4 Balances and Transactions with Related Parties

Related parties are defined in IAS 24, Related Party Disclosures. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at 31 March 2013 and 31 December 2012 are detailed below.

The following turnovers and balances arise from transactions with related parties:



(in millions of Russian Roubles)

# Balances with related parties

			31 March	31 December
Statement of financial position caption	Notes	Relationship	2013	2012
Trade receivables, gross	6	Parent company	10	7
		Parties under common control	429	1,398
Interest receivable	6	Parties under common control	1,607	1,288
Share profit in equity accounted investees	9	Parties under common control	1,866	1,860
Prepayments		Parties under common control	80	205
Loans receivable		Parties under common control	17,651	14,132
Trade payables	10	Parent company	(7)	(10)
		Parties under common control	(140)	(38)
Advances from customers		Parties under common control	(232)	(235)
Investment for trading (bonds)		Parent company	2,027	2,048

## ii Transactions with related parties

		Th	ree months ended
Statement of comprehensive income caption	Relationship	31 March 2013	31 March 2012
Sales of goods and services	Parent company	У 24	37
· ·	Parties under common contro	l 2,956	2,586
Purchases of raw materials	Parties under common contro	ol (20)	(26)
	Parent company	y (226)	(25)
Transportation services	Parties under common contro	ol (81)	(113)

#### iii Loans issued

At 31 March 2013 and 31 December 2012 short-term loans to parent company and parties under common control denominated in RUB totalled RUB 1,979 and RUB 699, respectively, at interest rates in the range of 8.25% to 8.8%. The loans are unsecured.

At 31 March 2013 and 31 December 2012 long-term loans to parties under common control totalled RUB 15,672 and RUB 13,433, respectively, and interest rates of 8.8% to 9.0%. The loans are unsecured.

For three months ended 31 March 2013 the Group accrued interest income of RUB 317 (for three months ended 31 March 2012: RUB 271)

# 5 Cash and Cash Equivalents

	31 March 2013	31 December 2012
Cash on hand and bank balances denominated in RUB	372	750
Bank balances denominated in USD	2,151	120
Bank balances denominated in EUR	102	70
Total cash and cash equivalents	2,625	940
Irrevocable bank deposits in USD	1,451	1,435
Total cash and cash equivalents	4,076	2,375

Cash and cash equivalents include term deposits of 493 RUB (31 December 2012: RUB 600).

At 31 March 2013 included in the current irrevocable bank deposits certain bank deposits of the Group which are restricted as guarantees to the banks related to credit agreement between HSBC Bank (China), Raiffeisen Bank International AG and one of the subsidiaries of JSC Acron in China in the amount of RUB 1,451 (31 December 2012: RUB 1,435). These deposits are classified as current in the consolidated Group financial statements based on maturities of respective loans.



(in millions of Russian Roubles)

# 6 Accounts Receivable

	31 March 2013	31 December 2012
Trade accounts receivable	587	789
Interest receivable	1,742	1,394
Less: impairment provision	(44)	(44)
Total financial assets	2,285	2,139
Advances to suppliers	185	159
Value-added tax recoverable	238	588
Less: impairment provision	(1)	(1)
Total accounts receivable	2,707	2,885

The fair value of accounts receivable does not differ significantly from their carrying amounts.

#### 7 Inventories

	31 March 2013 31 Dec	ember 2012
Raw materials and spare parts	1,227	1,428
Work in progress	65	95
Finished products	328	308
	1,620	1,831

# 8 Property, Plant and Equipment

Property, plant and equipment and related accumulated depreciation consist of the following:

	2013	2012
Carrying amount at 1 January	4,671	4,460
Additions	103	138
Disposals	(2)	-
Charge for the period	(120)	(97)
Carrying amount at 31 March	4,652	4,501

# 9 Investment in Equity accounted investees

	2013	2012
Balance at 1 January	1,860	1,466
Share of (loss)/profit	6	27
Balance at 31 March	1,866	1,493

At 31 March 2013, the Group's interest in its principal associate and its summarised financial information, including total assets, liabilities, revenues and profit or loss, were as follows:

Name	Total assets	Total liabilities	Revenue	Profit/(loss)	% interest held	Country of incorporation
LLC Balttrans	3,790	1,654	590	18	35%	Russia

At 31 December 2012, the Group's interest in its principal associate and its summarised financial information, including total assets, liabilities, revenues and profit or loss, were as follows:

Name	Total assets	Total liabilities	Revenue	Profit/(loss)	% interest held	Country of incorporation
LLC Balttrans	3,858	1,719	2,403	536	35 %	Russia



(in millions of Russian Roubles)

10 Accounts	Payable
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	31 March 2013	31 December 2012
Trade accounts payable	421	621
Dividends payable	6	6
Total financial payables	427	627
Payables to employees	205	205
Accrued liabilities and other creditors	24	12
Total accounts payable and accrued expenses	656	844

# 11 Short-Term and Long-Term Borrowings

Borrowings consist of the following:

	31 March 2013	31 December 2012
Credit lines	1,243	2,126
Term loans	8,648	3,921
	9,891	6,047

The Group's borrowings mature as follows:

	31 March 2013	31 December 2012
Borrowings due:		
- within 1 year	1,256	592
- between 1 and 5 years	8,635	5,455
	9,891	6,047

The Group's borrowings are denominated in currencies as follows:

	31 March 2013	31 December 2012
Borrowings denominated in:		
- Russian Roubles	-	-
- US Dollars	9,891	6,047
	9,891	6,047

The Group does not apply hedge accounting and has not entered into any hedging arrangements in respect of its foreign currency obligations or interest rate exposures.

The details of the significant short-term loan balances are summarized below:

	31 March 2013	31 December 2012
Short-term borrowings		
USD		
Loans with fixed interest rates of 5.2% to 6.75% per annum	622	-
Loans with floating interest rates of 1M LIBOR + 3.8% to +5.5% per		
annum	634	592
Total short-term borrowings	1,256	592

The details of the significant long-term loan balances are summarized below:

	31 March 2013	31 December 2012
Long-term borrowings		
USD		
Loans with fixed interest rates of 6.2% to 6.75% per annum	-	607
Loans with floating interest rates of 1M LIBOR + 3.8% to +5.5% per		
annum	3,351	3,329
Loans with floating interest rates of 12M LIBOR +5.25% per annum	5,284	1,519
Total long-term borrowings	8,635	5,455

Significant loan agreements contain certain covenants including those which require the Group and Group entities to maintain a minimum level of net assets, equity/total assets ratio, debt/equity ratio, debt/EBITDA ratio and EBITDA/ interest expense ratio. The loan agreements provide for the borrower's obligation to maintain the required level of inflows through the accounts opened with the lending banks and stipulate acceleration clauses in case of the borrower's failure to fulfil or appropriately fulfil its obligations to the bank. The loan agreements also contains a number of covenants and acceleration clause in case of the borrower's failure to fulfil its obligations under the loan agreements which include restrictions on material transactions with assets. Also, these covenants



(in millions of Russian Roubles)

permit the respective banks to directly debit the accounts opened by the debtors with the banks to ensure repayment of the borrowings.

## 12 Finance Income / (expenses), net

	Three months, ended	
	31 March 2013	31 March 2012
Interest income	386	324
Foreign exchange gain	165	620
Foreign exchange loss	(384)	(76)
	167	868

# 13 Other Operating Income / (expenses), net

	Three months, ended	
	31 March 2013	31 March 2012
Gain/ Loss on sale of investments	-	(7)
Other expenses	49	10
Foreign exchange gain	354	97
Foreign exchange loss	(238)	(296)
	165	(196)

# 14 Earnings per Share

Earnings per share are calculated by dividing the net income attributable to participating shareholders by the weighted average number of ordinary and preference shares outstanding during the period, excluding the average number of ordinary shares purchased by the Company or its subsidiaries and held as treasury shares.

	31 March 2013	31 March 2012
Weighted average number of ordinary shares outstanding	721,182,860	721,182,860
Weighted average number of participating preferred shares outstanding	154,256,400	154,256,400
Total weighted average number of participating shares outstanding	875,439,260	875,439,260
Profit for the year	1,237	1,695
Basic and diluted earnings per share (expressed in Russian Roubles)		
attributable to the equity holders of the Company	1.41	1.94

### 15 Income Taxes

	Three months, ended	
	31 March 2013	31 March 2012
Income tax expense – current	340	435
Deferred tax credit – origination and reversal of temporary differences	(1)	61
Income tax charge	339	496

# 16 Subsequent Events

In May 2013 the general meeting of shareholders decided to pay dividends following the results of 2012 on preferred shares in the amount of 1.20 roubles per share.