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**GAZPROM'S FINANCIAL INFORMATION UNDER INTERNATIONAL FINANCIAL
REPORTING STANDARDS (IFRS) FOR THE NINE MONTHS
ENDED SEPTEMBER 30, 2014**

Today Gazprom issued its unaudited consolidated interim condensed financial information prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) for the nine months ended September 30, 2014.

The table below presents the unaudited consolidated interim condensed statement of comprehensive income prepared in accordance with IFRS for the nine months ended September 30, 2014 and 2013. All amounts are presented in millions of Russian Rubles.

	Nine months ended September 30, 2014 2013	
Sales	4,007,522	3,772,668
Net gain from trading activity	9,903	7,073
Operating expenses	<u>(3,018,824)</u>	<u>(2,596,841)</u>
Operating profit	998,601	1,182,900
Finance income	189,629	88,019
Finance expense	<u>(501,883)</u>	<u>(209,834)</u>
Share of net income of associated undertakings and joint ventures	71,493	35,799
(Losses) gains on disposal of available-for-sale financial assets	<u>(981)</u>	<u>92</u>
Profit before profit tax	756,859	1,096,976
Current profit tax expense	<u>(141,027)</u>	<u>(112,669)</u>
Deferred profit tax expense	<u>(43,178)</u>	<u>(107,976)</u>
Profit tax expense	<u>(184,205)</u>	<u>(220,645)</u>
Profit for the period	572,654	876,331
Other comprehensive income (loss):		
Items that will not be reclassified to profit or loss:		
Remeasurements of post-employment benefit obligations	<u>(66,523)</u>	<u>61,490</u>
Total items that will not be reclassified to profit or loss	(66,523)	61,490
Items that will be reclassified to profit or loss:		
(Losses) gains arising from change in fair value of available-for-sale financial assets, net of tax	<u>(12,070)</u>	<u>9,027</u>
Share of other comprehensive (loss) income of associated undertakings and joint ventures	<u>(5,209)</u>	<u>7,785</u>
Translation differences	<u>142,779</u>	<u>47,630</u>
Losses from cash flow hedges, net of tax	<u>(16,741)</u>	<u>(3,059)</u>
Total items that will be reclassified to profit or loss	108,759	61,383
Other comprehensive income for the period, net of tax	42,236	122,873

Total comprehensive income for the period	614,890	999,204
Profit attributable to:		
Owners of OAO Gazprom	556,254	858,773
Non-controlling interest	<u>16,400</u>	<u>17,558</u>
	572,654	876,331
Total comprehensive income attributable to:		
Owners of OAO Gazprom	595,918	978,691
Non-controlling interest	<u>18,972</u>	<u>20,513</u>
	614,890	999,204

Total sales (net of excise tax, VAT and customs duties) increased by RUB 234,854 million, or 6%, to RUB 4,007,522 million in the nine months ended September 30, 2014 compared to the nine months ended September 30, 2013. More detailed information on our sales for the nine months ended September 30, 2014 and 2013 is presented in the table below.

in millions of RUB (unless otherwise stated)	Nine months ended September 30,	
	2014	2013
Sales of gas		
<i>Europe and other countries</i>		
Net sales (net of customs duties)	1,227,090	1,224,315
Volumes in bcm	122.5	126.8
Average price, RUB/mcm (including customs duties)	12,509.8	12,114.8
Retroactive gas price adjustments	-	73,430
<i>FSU (Former Soviet Union)</i>		
Net sales (net of customs duties)	304,952	289,715
Volumes in bcm	36.7	42.2
Average price, RUB/mcm (including customs duties)	10,000.7	8,301.7
<i>Russian Federation</i>		
Net sales (net of VAT)	552,362	536,925
Volumes in bcm	157.9	170.8
Average price, RUB/mcm (net of VAT)	3,498.6	3,143.0
<i>Total sales of gas</i>		
Net sales (net of VAT and customs duties)	2,084,404	2,124,385
Volumes in bcm	317.1	339.8
Net sales of refined products (net of excise tax, VAT and customs duties)	1,226,510	1,002,091
Net electric and heat energy sales (net of VAT)	291,941	250,972
Net sales of crude oil and gas condensate (net of VAT and customs duties)	152,394	155,429
Net gas transportation sales (net of VAT)	125,279	120,727
Other revenues (net of VAT)	<u>126,994</u>	<u>119,064</u>
Total sales (net of excise tax, VAT and customs duties)	4,007,522	3,772,668

Net sales of gas decreased by RUB 39,981 million, or by 2%, to RUB 2,084,404 million in the nine months ended September 30, 2014 compared to the nine months ended September 30, 2013.

For the nine months ended September 30, 2014 net sales of gas to Europe and other countries increased by RUB 2,775 million, or 0%, to RUB 1,227,090 million compared to the nine months ended September 30, 2013. This change was primarily due to an increase in average prices in RUB terms (including customs duties) by 3%, which was partially compensated by the decrease in volumes of gas sold by 3%, or 4.3 bcm.

Net sales of gas to FSU countries increased by RUB 15,237 million, or 5%, to RUB 304,952 million in the nine months ended September 30, 2014 compared to the nine months ended September 30, 2013. The change was due to an increase in average prices in RUB terms (including customs duties) by 20% and a decrease in volumes of gas sold by 13%, or 5.5 bcm.

Net sales of gas in the domestic market increased by RUB 15,437 million, or 3%, to RUB 552,362 million in the nine months ended September 30, 2014 compared to the nine months ended September 30, 2013. This is primarily explained by the increase in the average domestic price for gas by 11%, which was partially compensated by the decrease in volumes of gas sold by 8%, or 12.9 bcm.

Net sales of refined products increased by RUB 224,419 million, or 22%, to RUB 1,226,510 million in the nine months ended September 30, 2014 compared to the nine months ended September 30, 2013 due to an increase in volumes sold by Gazprom нефт Group to customers in the Russian Federation as well as by an increase in prices.

Net electric and heat energy sales increased by RUB 40,969 million, or 16%, to RUB 291,941 million in the nine months ended September 30, 2014 compared to the nine months ended September 30, 2013. The increase was mainly driven by inclusion of OAO Moscow Integrated Power Company (OAO MIPC) in the consolidated financial statements from September 2013.

Operating expenses increased by RUB 421,983 million, or 16%, to RUB 3,018,824 million in the nine months ended September 30, 2014 compared to the nine months ended September 30, 2013.

The major factor leading to an increase in operating expenses was an increase in charge for impairment provisions by RUB 104,506 million, or 308%. Such an increase was mainly driven by accrual of provision for doubtful trade accounts receivable of NAK Naftogaz Ukraine in the amount of RUB 83,927 million.

Furthermore, the increase in operating expenses was influenced by the item «Taxes other than on income», which increased by RUB 53,138 million, or 10%. The increase was mainly caused by the dynamics of mineral extraction tax rate.

In the nine months ended September 30, 2014 profit for the period attributable to owners of OAO Gazprom totaled RUB 556,254 million which is RUB 302,519 million, or 35%, lower compared to the nine months ended September 30, 2013.

Net debt balance (defined as the sum of short-term borrowings, current portion of long-term borrowings, short-term promissory notes payable, long-term borrowings, long-term promissory notes payable, net of cash and cash equivalents and balances of cash and cash equivalents restricted as to withdrawal under the terms of certain borrowings and other contractual obligations) increased by RUB 152,329 million, or 14%, from RUB 1,112,798 million as of December 31, 2013 to RUB 1,265,127 million as of September 30, 2014. This increase resulted from depreciation of Russian Ruble against U.S. dollar and Euro that was partially offset by increase in cash and cash equivalents.

More detailed information on the IFRS consolidated interim condensed financial information for the nine months ended September 30, 2014 can be found on OAO Gazprom web site (www.gazprom.ru).

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