

Annual Financial Statements

(HGB)

2010


10-Year Overview

	2010	2009	2008
Shareholders' equity (million EUR)	2,095.1	2,241.4	2,196.2
Provisions (million EUR)	17.4	142.4	68.0
Liabilities (million EUR)	1,919.9	490.1	1,693.5
Fixed assets (million EUR)	1,790.4	1,553.0	3,157.4
Financial assets (million EUR)	1,699.0	1,480.8	3,156.8
Current assets (million EUR)	2,275.6	1,316.1	800.1
Total assets (million EUR)	4,067.0	2,875.1	3,957.6
Profit for the year (million EUR)	280.9	401.2	263.2
Natural gas sales (TWh)	387.7	330.0	190.9

2007	2006	2005	2004	2003	2002	2001
1,932.9	1,192.2	829.9	722.3	611.8	494.9	369.2
3.9	15.7	19.0	16.3	16.0	22.5	4.0
1,592.4	1,625.2	120.2	160.2	262.0	394.7	464.1
3,144.7	2,460.9	636.9	617.2	626.9	616.6	624.2
3,143.9	2,460.3	636.1	616.1	626.0	615.2	622.7
384.5	371.5	332.1	281.5	262.7	295.6	212.5
3,529.3	2,833.1	969.1	898.8	889.8	912.2	837.5
175.7	192.3	132.6	130.4	126.9	125.7	97.9
164.6	161.6	151.6	191.2	98.4	29.9	11.6

Contents

7	Management Report for the 2010 Financial Year
29	Annual Financial Statements for the Financial Year from 1 January to 31 December 2010
30	Balance Sheet as of 31 December 2010
32	Income Statement for the Period from 1 January to 31 December 2010
34	Notes to the Annual Financial Statements as of 31 December 2010
49	Auditors' Report

The background features several thin, light blue lines. A vertical line runs down the right side of the page. Two curved lines sweep across the page from left to right, one above and one below the text. The text is centered in the upper half of the page.

Management Report
for the 2010 Financial Year

GAZPROM Germania GmbH (GPG) was founded in Berlin in 1990 as a German subsidiary of GAZPROM OJSC with the aim of selling and marketing Russian gas in Germany and Western Europe. Today, GAZPROM Germania and its subsidiaries, associates, and joint ventures operate in more than 20 countries and are active in practically all segments of the natural gas industry value chain.

The GAZPROM Germania group's core business areas include natural gas production, trading, and storage. Through its activities in these areas, the group plays an important role in ensuring a reliable supply of energy in the form of environmentally friendly natural gas to Germany and the rest of Europe. In this way, GPG supports the growth strategy pursued by the Russian GAZPROM OJSC by investing in a variety of infrastructure projects, entering new fields of business, and tapping into new markets.

GAZPROM Germania GmbH recorded a net income of EUR 280.9 million for the 2010 financial year (2009: EUR 401.2 million). Thus the previous year's result of EUR 281.3 million (adjusted for one-off gains of EUR 119.9 million arising from the merger with ZMB GmbH) was achieved again.

Income from profit and loss transfer agreements and investments amounting to EUR 340.1 million (2009: EUR 296.7 million) had a decisive impact on the overall result for the year.

The 2010 EBIT of EUR 334.9 million was down on the previous year's figure of EUR 414.6 million.

This financial year, GPG paid a dividend of EUR 50 million to its parent company Gazprom export LLC (2009: EUR 356 million, including a one-off dividend of EUR 306 million from the sale of NOVATEK shares). In December 2010 the shareholders passed a resolution on a further dividend payment of USD 473.3 million set for 1 April 2011.

GPG invests in infrastructure projects through its subsidiaries, associates, and joint ventures and is planning further investments in natural gas projects. The GPG group is also tapping into new market segments, such as trading in electricity and CO₂ certificates, and new geographical markets, including the Czech Republic, France, the United States, Austria, and Italy.

General Economic Conditions

The global economy recovered steadily in 2010. An upturn was observed on all major global trading hubs following the period of stability at the end of 2009 and the beginning of 2010. Coupled with high demand from the Asian economies, the speedy recovery helped to stabilize global trade in 2010.

In Europe, a key region for the GPG Group, the economy was equally buoyant in 2010. European GDP grew vigorously thanks to low interest rates and measures taken to stimulate economic growth. In 2009, exports to Europe benefitted from the recovery in the global economy and trade and a short-term weakness of the euro.

As a result, overall economic growth in the EU27 was modest at approximately 1.8% (Eurostat data).

Particularly in the first half of 2010, the German economy experienced a remarkable surge in growth and was one of the most dynamic performers in comparison with other industrialized nations. The turbulent euro did not have any significant adverse effects on exports, and, driven by a strong industrial sector, demand on the domestic market was an important stabilizing factor. The positive interplay of increased employment, growing salaries, and higher demand signalled an economic upturn in Germany, which developed its own momentum independent of government economic policies. Following strong quarterly growth in spring and summer (up 1.7% and 4% respectively on last year's figures), GDP grew by 3.6% in 2010 (German Federal Statistical Office), but still failed to reach the pre-crisis level of 2008.

The most energy-intensive production indices, such as the chemical and steel industries, showed particularly clear upward tendencies in 2010, giving rise to a disproportionate increase in energy consumption by 4.1% relative to GDP (Arbeitsgemeinschaft Energiebilanzen [AGEB]). There were two major contributing factors to the increase on 2009 levels. First, extraordinarily strong economic growth and an accompanying expansion of production led to increased energy consumption. Second, the long period of cold weather at the beginning of 2010 and the early onset of winter at the end of the year drove up energy demand, particularly for coal and natural gas. More than half of the overall increase in energy consumption can be attributed to cold weather conditions.

The global economic upturn led to increased demand, but only moderate price increases on global commodity markets. The price of oil averaged around USD 80 per barrel, climbing to over USD 90 with the early drop in temperatures in the northern hemisphere at the end of the year.

In the first quarter of 2010, with the European gas market still affected by a global over-supply and recession-related low demand, the price of gas fell. The effects of the resulting over-supply were felt on the GPG Group's core markets throughout the year.

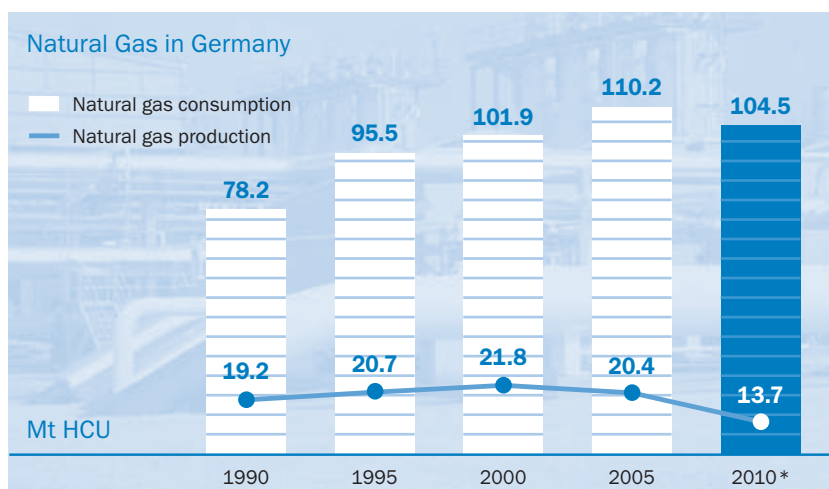
Although prices did increase slightly over the course of the year due to stronger demand for gas in the electricity generation and industrial sectors, it was only at the end of 2010 that spot prices again began to approach the prices of oil-linked long-term contracts. Low gas reserves and supply shortages from Norway and Qatar, due in part to maintenance work, led to a temporary scarcity of gas on spot markets. Towards the end of the year, similar to the development of the oil price, a weather-related price increase was observed.

According to the gas industry working group AG Energiebilanzen, German natural gas consumption grew by around 3.7% to 3,048 petajoules (PJ) (or 104 Mt HCU) in 2010. The proportion of gas in primary energy consumption remained stable at approximately 22%, with around 11% of total energy demand covered by domestic gas supplies. The German Federal Office of Economics and Export Control reported that between January and December 2010, German gas imports rose by about 6% compared to the same period in 2009. As in 2009, in 2010 the most important supply countries were Russia (approx. 40%), Norway (approx. 35%), and the Netherlands (approx. 21%).

While an increase in consumption was observed in all sectors of the German economy, the above-average utilization of natural gas in electricity generation in the first half of the year was particularly striking. However, consumption still remained below the pre-crisis level of 2008.

Following the relatively long cold period at the beginning of 2010 and in the context of low gas prices, surplus gas imports were transferred to heavily depleted storage facilities at various points throughout the year. Thus by

the beginning of the 2010/2011 heating period, according to data compiled by CERA on the basis of the figures of the Gas Infrastructure Europe Association, most of the total working gas capacity of 80 Gm³ in European storage facilities was again filled. However, the early onset of winter and related high demand towards the end of the year resulted in a fill level of just 88% (as compared with 97% in December 2009).



Source: AG Energiebilanzen

* Provisional figures

The security of natural gas supply in Europe is being improved through existing storage facilities and the planned construction of additional pipelines and further storage. In 2010, the construction of the Nord Stream Pipeline through the Baltic Sea commenced. This project is of huge importance to Europe and will facilitate additional gas imports of up to 55 Gm³ in the coming years. With this and other investments made by our group, we are making a significant contribution to ensuring security of supply in Europe.

2010 also saw LNG gain importance due to significant price differences in comparison to long-term contracts for pipeline gas. New liquefaction capacities in the Middle East and regasification capacities in Europe have further strengthened the position of LNG and also led to its historically low price on Western European trading hubs.

By selling its own LNG from the liquefaction plant on the Pacific island of Sakhalin, and through its trading activities, the GPG Group actively participates in the growth of LNG markets in Asia, Europe, and North America.

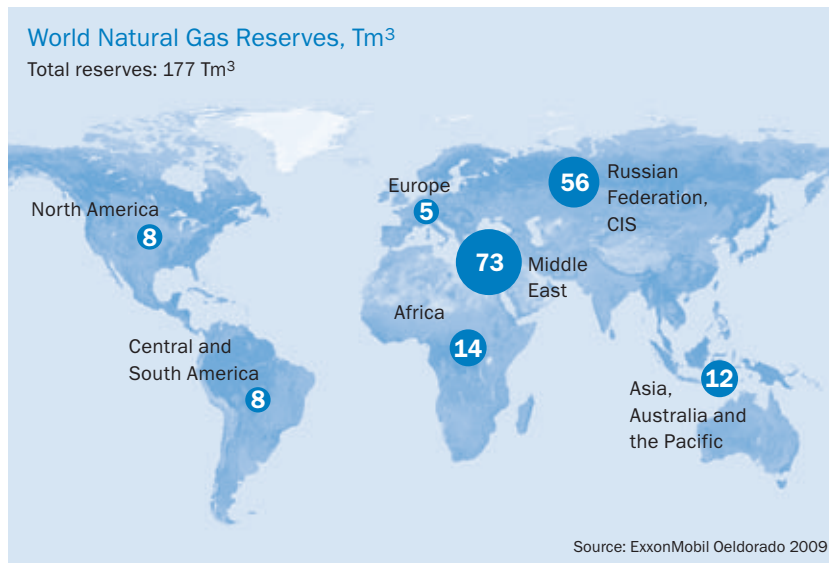
Against the background of a general economic upturn, demand for electricity also increased on GAZPROM Germania's most important core markets in 2010. In figures published by the German Energy and Water Association (BDEW), electricity consumption in Germany grew by approximately 3.9% in 2010 (January to November). Particularly in the first half of the year, natural gas played an important role in the production of electricity in Germany. However, as demand from industry increased, there was greater reliance on coal and nuclear energy for electricity generation. The market share of renewable energy sources in electricity production also continued to grow in 2010. According to the BDEW, renewable energy sources now account for 17% (2009: 16.4%) of all electricity production and totalled 102.3 TWh (2009: 95 TWh).

The future of the European electricity supply beyond 2010 is more uncertain than ever. In Germany, an important core market, the extension of the operating periods for nuclear power plants has hindered investment in de-centralized production facilities, while the massive subsidization of solar energy production in Germany and Spain is due for a review. At the same time, a solution to the problem of network integration for future wind energy production in the North and Baltic Seas is not expected in the short term, and price developments in the commodity markets are discouraging investment in gas power plants.

The discussion on climate change, too, has produced no certainty following the dashing of expectations at the Copenhagen Summit in 2009 and the failure to secure new commitments at Cancún. It is thus impossible to predict CO₂ price development – development that is so important to the European energy sector. The prices for CO₂ certificates in the EU-ETS European trading system remained within a narrow corridor of around EUR 15 per ton. Price fluctuations in 2010 can be attributed to the political discussion on the stricter regulation of trading in CO₂ credits (CER certificates) and to publications such as the EU Commission's proposal to raise the emissions reduction target to 30% of 1990 levels by 2020.

Business Development and Projects

In 2010, GAZPROM Germania's activities were again focused on the marketing and sale of natural gas from Russia and Central Asia in Europe and the former Soviet Union and on the management of its subsidiaries, associates, and joint ventures.



In close cooperation with Gazprom export LLC, GAZPROM Germania GmbH is engaged in natural gas trading in Central Asia and the former Soviet Union on the one hand (handled by GAZPROM Germania GmbH and ZMB (Schweiz) AG), and in the United Kingdom, France, the United States, the Czech Republic, Italy, and Turkey on the other (handled by Gazprom Marketing & Trading Ltd. and its subsidiaries, Vemex s.r.o., PremiumGas S.p.A., and Bosphorus Gaz Corporation A.S.).

Natural Gas Trading in Central Asia and the Former Soviet Union

GAZPROM Germania has been responsible for purchasing gas from Central Asia on behalf of the GAZPROM group since March 2009. In 2010, the quantity of gas purchased by GPG rose to 38 Gm³, up from 32 Gm³ in 2009.

From Central Asia the gas is transported to Ukraine, Belarus, Georgia, and Western Europe and handed over to Gazprom export at the relevant borders to be sold on.

As in the previous year, GPG supplied Uzbek gas to the southern regions of Kazakhstan, and received gas produced at the Kazakh natural gas deposit Karachaganak from KazRosGaz in exchange. Supplies of gas from Turkmenistan, which had been interrupted in 2009, were resumed in 2010.

Thanks to an increase in the volume of gas supplied, the total gross margin also increased.

Due to a general over-supply of gas in buyer countries, ZMB (Schweiz) AG failed to sustain the sales volumes of the previous year and faced a drop in sales of approximately 9.0 Gm³ (about 12.4%). In the absence of favourable purchase conditions, margins fell significantly in 2010.

Gas Trading in Europe

The changed market environment, characterized in 2010 by an over-supply of gas on individual markets and tougher competition, put pressure on GAZPROM Germania's European subsidiaries.

GAZPROM Germania GmbH continued to be successful on both Western and Eastern European markets through the companies it owns jointly with the BASF subsidiary Wintershall Holding AG, WINGAS GmbH & Co. KG (WINGAS), Wintershall Erdgas Handelshaus GmbH & Co. KG (WIEH), and Wintershall Erdgas Handelshaus Zug AG (WIEE). Despite difficult market conditions in 2010, the combined result of these subsidiaries amounted to EUR 238.6 million, an increase of EUR 17.9 million on last year's figures.

In order to strengthen its position on the German gas trading market, in 2010 GPG increased its shareholding in VNG Verbundnetz Gas AG through a share purchase.

Together with its subsidiaries, Gazprom Marketing & Trading Ltd. managed to increase its profit from GBP 115 million in 2009 to GBP 170 million in

2010. GM&T continued to be active in its main business area, gas trading (including trading, optimization, and sales to end customers), and significantly expanded its share of profits from LNG trading.

In Italy, PremiumGas S.p.A. increased the amount of gas sold to end customers to 883 Mm³ (2009: 641 Mm³) and achieved a profit for the year of EUR 2.6 million (2009: EUR 4.6 million).

In comparison with previous years, Vemex s.r.o. experienced a drop in sales volumes in the Czech Republic from 775 Mm³ in 2009 to approximately 667 Mm³ in 2010. Nevertheless, by optimizing its purchasing portfolio, the company was able to match the 2009 result of EUR 3.2 million in accordance with Czech law despite difficult market conditions.

In Turkey, the Bosphorus Gaz Corporation A.S. (BGC) had to operate under particularly difficult circumstances in 2010. The Turkish regulator kept gas prices artificially low, forcing the company to sell gas at a price significantly lower than its purchase price. This led to significant losses in 2010. However, in 2011 BGC has secured more favourable purchase conditions and is expected to make a profit in spite of adverse competitive conditions. Following the approval of the Turkish competition authority, GAZPROM Germania plans to acquire a further 20% of shares in BGC, thus increasing its shareholding in the company to 71%.

Despite current market complications, GAZPROM Germania intends to expand its sales activities further. To this end, ZMB (Schweiz) AG acquired 50% of shares in the Austrian GWH Gashandel GmbH. Following the approval of the antitrust agency, sales activities are due to commence in Austria.

Natural Gas Production

GAZPROM Germania's 2010 exploration and production activities again centred on Central Asia and the North Sea. The focus of these activities was Uzbekistan, where GPG operates through investment in projects managed by the joint venture Gas Project Development Central Asia AG (G.P.D.), in which it has a 50% shareholding.

G.P.D. has held a 25% shareholding in the Kokdumalak-Gaz joint venture since 2006. In 2010, this company processed 6 Gm³ of associated gas for industrial and technical use, of which 2.4 Gm³ was exported.

The joint venture Gissarneftgaz, in which G.P.D. has a 40% shareholding, produced 4.1 Gm³ of natural gas in 2010, of which 1.7 Gm³ was exported. In addition to natural gas, Gissarneftgaz produced 105,600 tons of crude oil and 234,800 tons of condensate, which were processed in Uzbek refineries and sold on the local market as fuel.

Approximately 200 Mm³ of natural gas was produced in 2010 at the Shakhpakhty natural gas deposit under a production sharing agreement between the Uzbek national holding company Uzbekneftegaz and a consortium comprising GPD and the Russian Gazprom zarubezhneftegaz CJSC.

GPG is active in the North Sea region through its involvement in the Wingate structure via a consortium (GPG share: 20%). In 2010, agreement on a field development plan was reached and approved by the relevant British authorities. Field development commenced with the construction of the drilling and exploration platform. Natural gas production is expected to begin in the last quarter of 2011, with most of the gas produced intended for sale through GM&T.

GPG's participation in License P1138 includes the Emerald and Sillimanite structures. Due to infeasibility and difficulties with gas extraction, the consortium has decided to return the license for the Emerald structure to the British state after its expiry on 1 October 2011.

The Sillimanite project (GPG shareholding: 25%) is currently in the geological-technical planning stage. A license is due to be granted to the Dutch section of the structure in the first quarter of 2011. After that work will commence on the drilling of an exploration well.

Natural Gas Storage

Gas storage facilities play an important role in ensuring a secure and reliable supply of natural gas. They are needed to balance out seasonal fluctuations in consumption and guarantee the availability of natural gas

at times of peak demand. In Europe, they are also vital to the security of gas supply. For this reason, the GPG group further expanded its natural gas storage activities in 2010.

The Haidach natural gas storage facility near Salzburg, Austria has been operating successfully since July 2007 with the participation of GAZPROM Germania. Under the second development phase, its storage capacity is currently being expanded to accommodate a total of 2.6 Gm³ of working gas. The commissioning of the additional working gas volume is planned for April 2011. After that, the Haidach gas storage facility will be the largest such facility in Austria and the second largest storage facility in Western Europe.

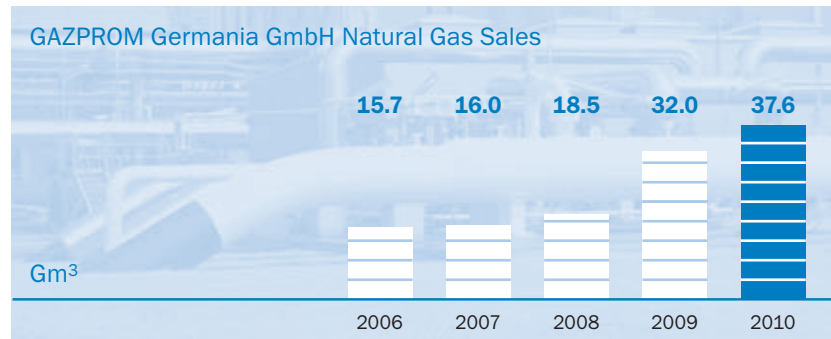
Together with VNG, GAZPROM Germania is constructing the gas storage facility Katharina in Bernburg, Saxony-Anhalt. This project is being planned, developed, and operated by the Erdgasspeicher Peissen GmbH, a joint venture of GAZPROM Germania and VNG. Katharina is a cavern storage facility that will be put into operation in phases by 2026. When fully operational, it will have a total working gas volume of 600 Mm³.

Through its shareholding in Etzel-Kavernenbetriebsgesellschaft mbH & Co. KG and Bunde-Etzel-Pipeline GmbH & Co. KG, GAZPROM Germania is also involved in the development of a number of cavern storage facilities due to commence operations in 2011. These facilities are located 30 km south of Wilhelmshaven. They are connected by pipeline to the gas grid operated by the Dutch Gas Transport Service B.V. (GTS), and are thus linked to the TTF, one of the most important natural gas trading hubs in Europe. Thanks to this connection and the possibility of repeatedly transshipping working gas, these storage facilities meet the gas market's demand for flexibility.

In the context of the construction of the South Stream pipeline, GPG investigated the possibility of constructing storage facilities along the pipeline route. The decision was made to begin construction on the Banatski Dvor underground storage facility in northern Serbia. This former gas field is already being used as a small-scale gas storage facility and will accommodate a working gas volume of 450 Mm³ after its expansion. The project is being undertaken jointly by GPG and the Serbian state gas company

JP Srbijagas. The technical construction work is almost completed and operations are due to begin in 2011.

The GPG group is also investigating options for the construction of an underground storage facility in Pusztaföldvár, Hungary, in collaboration with MOL Hungarian Oil and Gas Ltd. The purpose of this storage facility is also to ensure security of gas supplies to Europe in the context of construction of the South Stream Pipeline.



With the aim of expanding its activities on the British gas market, together with WINGAS, GAZPROM Germania is planning and investing in the conversion of the former onshore natural gas field Saltfleetby into a gas storage facility. The conversion is being managed by Wingas Storage UK, a joint venture between GAZPROM Germania and WINGAS. On completion, the Saltfleetby UGS is expected to accommodate 750 Mm³ of working gas.

Despite continuing high demand for and the feasibility of gas storage facilities in Turkey, the GAZPROM group is currently reviewing its participation in the Tarsus storage project. The former joint venture partner is continuing to work on this project at its own risk and has given GAZPROM Germania the option to re-enter the project at a later date.

In order to meet the storage requirements defined by GAZPROM OJSC, investigation of geological storage structures around the landing point of the Nord Stream Pipeline and along the OPAL in North-East Germany

is continuing. Following extensive analysis of all structures in the region, exploration rights have been secured from the mining authority for three aquifer structures in northern Brandenburg, and southern Mecklenburg-Western Pomerania. In addition, permission has been granted for exploration work around the Storkow salt dome in Brandenburg, and other locations are also being examined. Geological and technical evaluation and planning will be carried out at all of the chosen locations in 2011.

In 2010, a report was issued on the Schweinrich structure following an initial exploratory drill in 2009 and the completion of subsequent evaluations. An application for an extension of the main plan of operations until the end of 2012 to further investigate the suitability of the structure for gas storage was made to the responsible mining authority and has been approved.

Emission Trading and Emission Reduction Projects

Alongside GPG's subsidiaries' trading in large quantities of emission permits and certificates around the world, GPG is also investing in emissions reduction projects in its target markets.

Income

Revenue for the 2010 business year was EUR 6,563.5 million, exceeding the previous year's revenue by EUR 772.8 million. This corresponds to total gas sales of 37.6 Gm³ or 387.7 TWh (previous year 32.0 Gm³ or 330.0 TWh). The profit on ordinary activities for the reporting period was EUR 316.1 million, down from EUR 345.5 million the previous year. The foreign currency result was EUR 14.1 million (previous year EUR 137.1 million). This decline is largely attributable to increased foreign currency holdings in cash and from receivables and the negative exchange rate developments during 2010.

The result for the year 2010 was significantly influenced by the result from investments of EUR 340.1 million (2009: EUR 296.7 million). WIN-GAS and WIEH, which GAZPROM Germania runs in joint venture with Wintershall, together paid EUR 238.6 million to GPG in the 2010 financial year from profit and loss transfer agreements, slightly surpassing the EUR 220.6 million result from the previous year. Income from invest-

ments increased by EUR 25.5 million to EUR 101.6 million and included EUR 55.5 million in dividends from ZMB (Schweiz) AG (previous year: EUR 30.0 million), EUR 35.0 million from GM&T (previous year: EUR 15.4 million), and EUR 11.0 million from VNG (previous year: EUR 5.1 million, before the increase in shareholding).

Other operating expenses before exchange losses were EUR 66.5 million for the financial year (previous year: EUR 55.0 million).

Interest expense of EUR 37.9 million (previous year: EUR 100.4 million) exceeded interest income (including income from financial assets) by EUR 18.9 million (previous year: EUR 72.6 million). The decline in interest expense was due to the repayment of a loan from GAZPROM OJSC with the proceeds from the sale of NOVATEK in 2009.

The return on equity (average sum of equity at the beginning and the end of the reporting period) for the 2010 financial year was 13.0%.

Assets, Liabilities, and Financing

As of 31 December 2010, GAZPROM Germania GmbH's balance sheet total was EUR 4,067.0 million (previous year EUR 2,875.1 million). On the assets side, this is attributable to increases in non-current assets following investments and (EUR +237.5 million) and current assets (EUR +959.4 million, including EUR 561.9 million receivable from associated companies). Liabilities increased by EUR 1,429.7 million (including EUR 1,044.8 million payable to associated companies, of which the majority is short-term liabilities and part of which has arisen over the course of the group's cash pooling). Conversely, provisions were reduced by EUR 125.0 million; these were mainly tax provisions.

GPG's equity decreased from EUR 2,241.4 million to EUR 2,095.1 million. The equity ratio at the balance sheet date was 51.5% (previous year: 78.0%). Our first application of the new section 274 of the German Commercial Code (HGB), which was rewritten in conjunction with the German Accounting Law Modernization Act (BilMoG) and affects the reporting of deferred taxes, resulted in a EUR 17 million reduction in equity capital.

Cash and securities available for payment totalled EUR 905.1 million on the balance sheet date (previous year: EUR 532.2 million). Taking receivables and liabilities from cash pooling into account, the net cash position was EUR 803.4 million (previous year: EUR 779.3 million).

Bank liabilities totalled EUR 274.7 million on the balance sheet date (previous year: EUR 66.1 million).

The aim of financial management at GPG is to secure the liquidity of GPG and its group companies (including the acquisition of sufficient guarantees and sureties) and ensure the financial security of planned investments.

The working capital line negotiated in 2009 with a bank consortium led by Commerzbank AG and Landesbank Baden-Württemberg was prematurely terminated by GAZPROM Germania in late 2010. This was replaced by a new agreement with better conditions finalized on 22 March 2011 following negotiations with a bank consortium led by Commerzbank AG and UniCredit Bank AG.

GPG currently has access to a further uncommitted line of credit in USD from Gazprombank.

Furthermore, two appropriated loans totalling EUR 100 million have been granted to finance the Saltfleetby and Etzel natural gas storage projects. These loans are due in October 2012.

In late December 2009 and January 2010, Landesbank Baden-Württemberg sold EUR 250 million in promissory notes on GPG's behalf. These notes are due in 3 to 5 years.

Investments

The focus of investment activities in the 2010 financial year was on the acquisition of further shares, in particular in VNG-Verbundnetz Gas AG.

In addition, extensive measures were taken towards the strengthening of GPG's IT infrastructure.

GAZPROM Germania GmbH's expenditure on investments was around EUR 260 million in the 2010 financial year (2009: EUR 150 million).

Social Commitment

With financial success comes great social responsibility. As a modern company, we take this obligation very seriously. That's why for many years, GAZPROM Germania has worked to promote numerous projects in the areas of art and culture, youth and education, healthcare and social welfare, and sports under the slogan Energy Unites People. Our three company values – reliability, partnership, and responsibility – form the backbone of the sponsorship we provide and are an integral part of our corporate philosophy and culture.

As a German company with Russian roots, our goal in taking on social responsibility is to promote intercultural dialogue and bolster relations between Germany and Russia.

Cultural projects are a significant focus of our diverse sponsorship activities. Here, we place particular emphasis on the presentation and promotion of Russian art and culture in Germany. The highlights of 2010 include our support of the Tchaikovsky ensemble at the Potsdam Schloessernacht and the world-renowned Mariinsky Theatre of St. Petersburg's performance at the Berliner Philharmonie in honour of GAZPROM's 20 years of collaboration with BASF/Wintershall. GAZPROM Germania is also a long-term sponsor of a number of German-Russian cultural projects, including Berlin's Russian Film Week, which GAZPROM Germania has sponsored since its inauguration in 2005. For the sixth year in succession, in 2010 the festival presented a selection of the latest films from Russia to increasingly enthusiastic German audiences.

GAZPROM Germania's extensive social commitment also spans educational initiatives and youth projects. We pay special attention to children, young people, and students. Here, too, we support joint German-Russian projects aimed at furthering mutual understanding and

encouraging German interest in Russia, its language, and its people. One such project is the media education project Zeus – Zeitung und Schule. With Zeus, GAZPROM Germania is helping to develop young people's interest in journalism as well as in GAZPROM and natural gas. Elsewhere, GAZPROM Germania's is giving special attention to the promotion of the Russian language in Germany with its sponsorship of the Bundescup – Spielend Russisch Lernen language competition for schoolchildren.

In March 2010, GAZPROM opened its Experience Energy attraction at Germany's largest amusement park, Europa-Park Rust near Freiburg. The attraction features an interactive, energy-themed multimedia discovery experience and offers visitors an excitement-packed look at how Russian natural gas is produced and transported to Germany. GAZPROM Germania has also sponsored Europa-Park's appropriately-named blue fire Mega-coaster since 2009.

Since 2007, GAZPROM Germania sponsored the HAROW medical study. Run by Stiftung Männergesundheit, a men's health foundation, this study investigates the urological treatment of localized prostate cancer. Cooperation between German and Russian urologists is central to the study, and one of its goals is the establishment of prostate competency centres in St. Petersburg and Moscow.

GAZPROM Germania's sports sponsorship has focused on FC Schalke 04, one of Germany's most popular football clubs, for the past four years. In 2007, we joined FC Schalke 04 in launching Gib Gas gegen Gewalt, a campaign for the prevention of violence in football that has seen charity matches held at the clubs Dynamo Dresden, 1. FC Magdeburg, Alemannia Aachen, 1. FC Union, and against Eintracht Braunschweig.

GAZPROM Germania was also the official sponsor of the IIHF Ice Hockey World Championships in Germany, with the opening game played at FC Schalke's stadium. The opening event also featured a friendly game between German and Russian ice hockey legends that once again underlined the cordial relations between Germany and Russia in the natural gas sector.

Risk Report

GAZPROM Germania's Risk Management ensures that risks are identified, assessed, managed, and monitored from an early stage throughout the GPG group. The risk held by the Group is calculated and limited using a concept based on economic capital with the application of the Value-at-Risk (VaR) method.

To manage risks, a Risk Oversight Committee (ROC) has been set up at GPG. The ROC meets monthly and is chaired by a representative of Gazprom export LLC's Risk Management department. In addition to the ongoing monitoring of group risk, the ROC sets and approves risk limits for individual business partners and activities.

The GPG group's aggregate risk is calculated monthly based on the confidence interval set by the Supervisory Board and a holding period of one year; this aggregated risk is then reported to the ROC. The major risks of the group are market, default, liquidity, and operational risk.

Market price risk at GPG arises from exchange rate fluctuations within the scope of purchase and sales obligations denominated in different foreign currencies, and from debt financing in currencies other than the reporting currency.

For the trading business, foreign exchange risk is primarily managed on the basis of cash inflows and outflows denominated in a given foreign currency at a given point in time. Where possible, any remaining risks are carried by way of appropriate hedging transactions.

As a rule, gas trading positions are not held if they are unsecured. On conclusion of purchase and sales contracts, market price risk is minimized by coordinating prices.

Because the fixed interest period is usually determined on the basis of short-term reference interest rates, loans granted and accepted are exposed to an interest rate risk. The remaining risk is borne using appropriate hedging transactions as far as possible.

Default risk arises from the group's trading and sales activities and from its investment holdings. In order to assess and limit this risk, credit rating procedures are applied and changes in credit rating are monitored on a continuous basis.

Decisions on loan extensions are made on the basis of a given company's credit rating and economic capital. Where possible, this risk is managed by means of framework agreements with customary hedging and netting provisions.

GPG's financial transactions and GM&T's natural gas trading activities are generally conducted with creditworthy counterparties only. The credit risk is reduced by allocating limits depending on both credit standing and netting agreements.

Liquidity risk arises from potential fluctuations in future cash inflows and outflows. This risk can be countered by synchronizing cash flows including foreign currency alignment.

Liquidity risk is calculated each month using a Value at Risk approach and reported to the ROC. In the management of this risk, risks pertaining to available liquidity are compared taking account of free credit lines.

Contractual clauses concerning the obligation to comply with the specific financial figures (covenants) are continuously monitored on the basis of both the value-at-risk approach and scenario analyses.

Operational risk is a risk of loss as a result of inadequate or flawed internal processes, human error, system failure, or external events.

Regular risk audits are carried out to facilitate the early recognition of operational risk, the assessment of its quality and quantity, its monitoring, and prompt reporting to the management.

Operational risk is managed using the Basel II's basic indicator approach.

Human Resources

GAZPROM Germania GmbH had 209 employees (not including trainees) on the balance sheet date (previous year: 183). Its employee benefits expenses in the 2010 financial year were EUR 20.4 million (previous year EUR 17.6 million).

The competence and commitment of its employees are a crucial factor in the success of the GAZPROM Germania Group.

Alongside professional qualifications, we have also placed a strong emphasis on modern business Russian language skills when selecting new employees. By doing so, we aim to further oral and written communication in Russian with our parent company in Moscow throughout all areas of the company.

The need for a permanent further education programme that targets specific skills and fields will become more pressing in the next few years, as a result of both the adverse economic environment and a rapidly developing knowledge-based society. For this reason, our company has further expanded its cooperation with the European School of Management and Technology (ESMT) in Berlin, of which we are a benefactor. The international character of the courses offered at ESMT makes our involvement with this institution particularly beneficial to us.

Our successful and long-standing cooperation with the Freiberg University of Mining and Technology, the Humboldt University of Berlin, and the Faculty of Economics at the University of Leipzig on the first German-Russian master's programme in International Energy Economics and Business Administration has continued with the goal of supporting young graduates and helping our company to establish ties with future top executives before they have completed their education.

Our cooperation with the University of Leipzig, the German Energy and Water Association, and the Leipzig Chamber of Commerce and Industry continues on the Kauffrau/Kaufmann in der Energie- und Wasserwirtschaft postgraduate qualification that prepares trainees for the business aspects of the energy and water sector, with more candidates sent in 2010.

Future Risks and Opportunities

Since its establishment in 1990, GAZPROM Germania has embarked on a path of dynamic growth and firmly established itself as an international gas company. It has recorded stable income over the past few years and its employee numbers have grown constantly. GAZPROM Germania and its subsidiaries, associates, and joint ventures today operate in the areas of natural gas exploration, transportation, and storage and energy sales in more than 20 countries in an increasingly liberalized market environment.

As leader of the GAZPROM Germania Group, GAZPROM Germania GmbH bears responsibility for the sale of natural gas from Russia and Central Asia in Germany and Western Europe and is deeply committed to pursuing the growth strategy and the related goals pursued by the Russian GAZPROM OJSC on its path to becoming the world's leading energy group.

By diversifying its fields of business, tapping into new markets, directly investing in natural gas infrastructure projects, or indirectly investing through its subsidiaries and participations, GAZPROM Germania GmbH is supporting the strategy pursued by the group to strengthen the European gas business and secure a reliable supply of energy.

In addition to continuing work on its various energy sector projects on European consumer markets, in the coming years the group plans to focus on further expanding our investment projects and actively managing them to generate additional potential for growing GAZPROM Germania's result from investments.

The improved global economy may also contribute to further stabilizing the income of subsidiaries, investments, and participations.

However, our investment activities are subject to risks including those that stem from regulatory impositions and the European Union's unbundling policy; we are watching these developments with concern. As a global energy company with a large number of investment-intensive infrastructure projects currently planned, under construction, or in operation, we are critical of this development. At the same time, these investments are also subject to technical, geological, or political risk in a specific country.

In the short term, additional income risk may result from the current natural gas supply situation, which may create a challenging market environment for Russian natural gas and demand new solutions to further stabilize sales volumes. A temporary drop in the result from investments cannot be ruled out for 2011, in particular in those companies managed in joint venture with Wintershall.

GAZPROM Germania is an active participant in discussions initiated by GAZPROM OJSC on the potential restructuring of the GAZPROM group's European business and it will avail of any opportunities such restructuring presents. From 2011, our company will strengthen its focus on its role as a holding company for the GAZPROM Germania Group and plans to significantly reduce its involvement in the supply chain for Central Asian natural gas. This will result in 2011 revenues falling to well below EUR 2 billion. Depending on our parent company's dividends policy for our subsidiaries, associates, and joint ventures, we expect an after-tax result of around EUR 150 million a year for each of the coming two financial years.

Berlin, 8 April 2011

Management

Vladimir Kotenev
Senior Managing Director

Andrey Biryulin
Managing Director

Annual Financial Statements
for the Financial Year from
1 January to 31 December 2010

Balance Sheet as of 31 December 2010

Assets	31/12/2010 EUR	31/12/2009 EUR
Non-current assets		
I. Intangible assets		
Concessions, industrial property and similar rights and assets and licenses in such rights and assets	7,080,296.66	2,189,703.50
Advance payments	0.00	4,348,779.85
	7,080,296.66	6,538,483.35
II. Property, plant and equipment		
Land, land rights and buildings including buildings on third party land	13,332,955.36	12,513,757.26
Technical equipment and machines	27,968,133.22	30,211,114.38
Other equipment, operating and office equipment	5,602,361.71	3,479,515.53
Prepayments made and assets under construction	37,439,683.85	19,390,455.24
	84,343,134.14	65,594,842.41
III. Financial assets		
Shares in affiliated companies	73,351,152.87	74,109,703.69
Loans to affiliated companies	15,246,410.84	11,818,996.62
Equity investments	1,135,212,366.30	965,005,027.61
Loans to companies in which an equity investment is held	475,145,516.03	429,886,204.91
Other loans	54,857.83	19,850.00
	1,699,010,303.87	1,480,839,782.83
	1,790,433,734.67	1,552,973,108.59
Current assets		
I. Inventories		
Raw materials and supplies	758,030.95	1,319,825.34
II. Receivables and other assets		
Trade receivables	55,917,650.33	65,605,471.80
Receivables from affiliated companies	1,019,243,499.98	457,326,566.87
Receivables from companies in which an equity investment is held	261,467,478.55	240,089,864.42
Other assets	33,071,721.11	19,571,179.01
	1,369,700,349.97	782,593,082.10
III. Securities		
Other securities	0.00	150,107,393.81
IV. Cash in hand, bank balances		
	905,104,449.03	382,055,971.13
	2,275,562,829.95	1,316,076,272.38
Prepaid expenses	742,181.45	6,013,059.56
Asset difference from the netting of assets	284,891.00	0.00
Balance sheet total	4,067,023,637.07	2,875,062,440.53

Equity and Liabilities	31/12/2010 EUR	31/12/2009 EUR
Equity capital		
I. Subscribed capital	225,595,000.00	225,595,000.00
II. Additional paid-in capital	799,872,367.55	799,872,367.55
III. Unappropriated retained earnings	1,069,583,128.39	1,215,906,958.12
	2,095,050,495.94	2,241,374,325.67
Special tax-allowable reserves	1,122,625.84	1,231,904.53
Provisions		
Provisions for pensions and similar obligations	1,416,945.60	1,035,501.00
Tax provisions	0.00	124,181,504.77
Other provisions	15,958,405.78	17,149,927.99
	17,375,351.38	142,366,933.76
Liabilities		
Liabilities to banks	274,674,246.31	66,061,130.43
Trade payables	147,621,359.10	126,828,061.28
Liabilities to affiliated companies	1,304,565,653.48	259,757,786.86
Liabilities to companies in which an equity investment is held	172,958,306.15	37,058,343.84
Other liabilities	20,055,702.20	381,860.79
	1,919,875,267.24	490,087,183.20
Deferred income	2,093.37	2,093.37
Deferred tax liabilities	33,597,803.30	0.00
Balance sheet total	4,067,023,637.07	2,875,062,440.53

Income Statement for the Period from 1 January to 31 December 2010

	2010 EUR	2009 EUR
1. Sales revenues	6,563,535,336.28	5,790,708,630.43
2. Other operating income	285,250,358.96	401,689,471.84
	6,848,785,695.24	6,192,398,102.27
3. Costs of materials		
a) Cost of raw materials and supplies and of purchased merchandise	5,537,595,427.55	5,042,244,327.87
b) Cost of purchased services	982,762,484.81	717,571,373.04
	6,520,357,912.36	5,759,815,700.91
4. Personnel expenses		
a) Wages and salaries	17,718,030.10	15,288,704.91
b) Social security and other pension costs	2,680,787.37	2,289,305.14
	20,398,817.47	17,578,010.05
5. Amortization/depreciation of intangible assets and of property, plant and equipment	8,988,526.09	29,068,391.91
6. Other operating expenses	289,549,897.44	252,913,416.36
	9,490,541.88	133,022,583.04

	2010 EUR	2009 EUR
7. Income from profit pooling	238,592,809.85	220,644,649.97
8. Income from equity investments	101,552,022.24	76,040,404.64
9. Income from other securities and long-term financial investments	14,494,766.77	14,284,209.07
10. Other interest and similar income	4,480,493.26	13,539,751.50
11. Write-downs of financial assets and of marketable securities	14,651,674.98	11,586,349.86
12. Interest and similar expenses	37,908,826.85	100,420,820.53
13. Profit on ordinary activities	316,050,132.17	345,524,427.83
14. Extraordinary income	8,912,103.48	119,896,404.44
15. Extraordinary expenses	412,029.00	0.00
16. Extraordinary profit	8,500,074.48	119,896,404.44
15. Taxes on income	30,793,705.56	63,927,998.93
16. Deferred taxes	12,772,056.78	0.00
17. Other taxes	64,886.79	314,704.95
18. Net income for the year	280,919,557.52	401,178,128.39

Notes to the
Annual Financial Statements
as of 31 December 2010

1. General Information

GAZPROM Germania GmbH's annual financial statements have been prepared in accordance with the accounting principles of the German Commercial Code (HGB) and the German Act Pertaining to Companies with Limited Liability (GmbHG).

The balance sheet and the income statement are structured on the basis of sections 266 and 275 of the German Commercial Code.

The income statement was drawn up in accordance with the total expenditure format.

For the sake of clearer presentation, details of balance sheet items are provided in the notes.

No adjustments were made in the context of our first application of the new provisions of the German Accounting Law Modernization Act (BilMoG) pursuant to Section 67 (8) (2) of the Introductory Act to the German Commercial Code to the previous year's figures.

2. Accounting Policies

The introduction of the German Accounting Law Modernization Act (BilMoG) led to changes in the valuation and recognition of balance sheet items from the previous year in the opening balance on 1 January 2010.

These changes are summarized in the following table:

Balance sheet items	31/12/09 before adjustment kEUR	BilMoG adjust- ments kEUR	01/01/10 kEUR	Recognized in profit and loss kEUR	Other com- prehensive income kEUR
Trade and other receivables	57,564	125	57,689	125	
Amounts receivable from affiliated companies	473,723	6,251	479,974	6,251	
Amounts receivable from companies in which the company has a participating interest	231,734	454	232,188	454	
Difference arising from the off-set of assets	0	112	112	112	
Provisions for pensions and similar obligations	1,036	412	1,448	-412	
Other provisions	17,150	-3,913	13,237		3,913
Amounts payable to affiliated companies	296,229	-1,764	294,465	1,764	
Amounts payable to banks	66,061	-206	65,855	206	
Deferred tax liabilities	0	20,826	20,826		-20,826
				8,500	-16,913
Retained earnings	1,215,907	-16,913	1,198,994		-16,913

Profit and loss items	31/12/09 before adjustment kEUR	BilMoG adjustments kEUR	01/01/10 kEUR	Recognized in profit and loss kEUR	Other com- prehensive income kEUR
Extraordinary income	119,596	8,912		8,912	
Extraordinary expenses	0	412		-412	
				8,500	
Deferred tax expenses				-2,690	
Deferred tax revenue				67	
				-2,623	

Extraordinary income of kEUR 8,800 derives from unrealized foreign exchange gains from the conversion of receivables and liabilities denominated in foreign currencies.

The first application of the valuation requirements of section 253 (1) (2) of the German Commercial Code in the assessment of pension provisions yielded extraordinary income of kEUR 112 from the allocation of the difference arising from the offset of assets and extraordinary expenses of kEUR 412 from the re-evaluation of pension obligations.

Deferred taxes, which stem from balance and valuation differences in the first application of the new accounting principles of the German Accounting Law Modernization Act (BilMoG), are recognized in profit and loss.

Tangible and intangible assets are valued at cost less straight-line amortization or depreciation.

Fixed assets that are likely to be impaired in the long term are written down.

Amortization and depreciation rates depend on the useful lives of assets. While the amortization period for intangible assets is 3 to 10 years, the depreciation period for built-

ings is 6 to 50 years, 8 to 20 years for technical equipment and machinery, and 3 to 15 years for fixtures and fittings.

A compound item with a useful life of 5 years is formed for movable property whose acquisition and production costs lie between EUR 150 and EUR 1,000.

Non-current financial assets are measured at cost, or if long-term impairment is likely, at their lower fair value. In the case of impairment reversals, write-ups are undertaken.

Inventories are measured at cost.

Receivables and other assets are measured at par value.

Trade and other receivables from gas deliveries on the reporting date are recognized at contractually agreed prices using estimates based on past experience. The subsequent detection of additional costs, including transportation and other service costs, may give rise to deviations, which are accounted for the subsequent year.

Individual risks are reflected in impairment losses.

Securities held as current assets are measured at cost or at the lower rate applicable at the balance sheet date. In the case of impairment reversals, write-ups are undertaken.

The first application of the BilMoG accounting principles resulted in a difference of kEUR 112 arising from the off-set of assets in connection with the allocation of pension provisions.

Special tax-allowable reserves were formed equivalent to the amount of the special write-downs undertaken in previous years in accordance with section 4 of the German Assisted Areas Act (Fördergebietsgesetz); these reserves are to be liquidated over their useful life.

Pension provisions are allocated in full and recognized at values determined using the projected unit credit method in accordance with the German Commercial Code. The amount allocated to pension reserves on the first application of the BilMoG valuation principles was not split in accordance with section 67 (8) (2) of the Introductory Act to the German Commercial Code. The calculation is based on the following assumptions:

	Transition date %	31/12/10 %	31/12/09 %
Discount rate	5.25	5.15	5.90
Interest rate	4.50	4.50	4.50
Expected rate of increase in salaries	5.00	5.00	5.00
Expected rate of increase in pensions	1.00	1.00	1.00

This calculation was made on the basis of an assumed average remaining maturity of fifteen years.

Professor Klaus Heubeck's Richttafeln 2005 G actuarial tables were used to complete this calculation.

For other provisions with a remaining maturity of over one year, price and cost increases of 2% per annum are assumed. The proportion of provisions that is allotted to expenses due after the balance sheet date of the following financial year is discounted at the average market interest rate for the last seven years relevant to the remaining maturities of the provisions in question.

Provisions for taxes and other provisions are recognized at the amount deemed to be commercially appropriate.

Liabilities are recognized at their redemption amount.

3. Foreign Currency Conversion Principles

The annual financial statements include transactions in foreign currencies.

Conversions of receivables and liabilities in foreign currencies into EUR are based on the following exchange rates:

	Remaining maturity under 1 year	Remaining maturity over 1 year
Receivables	Closing rate	Rate on the acquisition date or higher rate on the reporting date
Liabilities	Closing rate	Rate on the acquisition date or lower rate on the reporting date

Cash on hand and demand deposits in foreign currency are valued at the rate prevailing on the reporting date.

Other assets comprise excess advance tax payments of kEUR 30,310 (previous year: kEUR 0) for 2010.

4. Notes to the Balance Sheet

The development of non-current assets and the shareholding structure are shown in the appendix to these notes.

Of the total other assets, kEUR 100 (previous year: kEUR 278) has a term of over one year.

Amounts receivable from affiliated companies include trade receivables of kEUR 530,982 (previous year: kEUR 164,064), loans receivable totalling kEUR 332,974 (previous year: kEUR 0), and other assets valued at kEUR 155,302 (previous year: kEUR 293,263). Receivables from the shareholder amounted to kEUR 530,600 (previous year: kEUR 163,648).

Of the total amounts receivable from affiliated companies, kEUR 1 (previous year: kEUR 17) has a term of over one year.

As of the reporting date, the presentation of receivables from affiliated companies and trade receivables was changed in comparison to the previous year. The data in both the notes and the balance sheet has been adjusted accordingly.

Amounts receivable from undertakings in which the company has a participating interest are other receivables.

The deferred tax liabilities recognized on the balance sheet date (kEUR 33,598) are due to the following valuation differences:

Item		Differential amount EUR	Deferred taxes at relevant tax rates			
			30.180% EUR	25.000% EUR	Other tax rates EUR	Total EUR
Differences from the foreign currency conversion of receivables	Assets	-13,098,930.56	-3,953,257.87			
Discounting of long-term, non-interest-bearing receivables	Assets	15,292,636.29	4,615,317.63			
Proportional deferred taxes from partnership	Assets	-296,109,214.99			-22,776,941.93	
Difference arising from the off-set of assets (pension obligations)	Assets	-284,891.00	-85,980.10			
Differences from the foreign currency conversion of liabilities	Liabilities	-37,133,030.82	-11,206,748.70			
Pension provisions	Liabilities	209,650.60	63,272.55			
Holiday provisions	Liabilities	248,368.53	74,957.62			
Provisions for contingent losses	Liabilities	1,931,532.04	582,936.37			
Discounting of long-term provisions	Liabilities	78,799.88	23,781.80			
Discounting of the long-term provisions for foreign business premises	Liabilities	-3,740,562.69		-935,140.67		
			-9,885,720.70	-935,140.67	-22,776,941.93	-33,597,803.30

Assets: "+" = tax law method > commercial law method
 Assets: "-" = tax law method < commercial law method
 Liabilities: "+" = tax law method < commercial law method
 Liabilities: "-" = tax law method > commercial law method

Deferred tax assets from prior interest carryforwards made in accordance with the interest barrier were not recognized.

Of the total deferred charges of kEUR 742 (previous year kEUR 6,103), kEUR 267 (previous year kEUR 3,098) have terms of over one year.

Capital reserves resulted from additional payments by the shareholder as defined in section 272 (2) (4) of the German Commercial Code.

The structure of profit for the period included in retained earnings is as follows:

	kEUR	Previous year kEUR
1 January	1,215,907	1,170,688
Effects of BilMoG (see section 2)	-16,913	0
Dividend payments	-410,330	-355,959
Profit for the year	280,920	401,178
31. December	1,069,584	1,215,907

Special tax-allowable reserves were formed in accordance with the regulations of section 4 of the German Assisted Areas Act (Fördergebietgesetz) as per section 281 (1) of the German Commercial Code. These reserves were continued as afforded by section 67 (3) of the Introductory Act to the German Commercial Code.

Other provisions include for the most part cushion gas extraction obligations (kEUR 5,930; previous year: kEUR 10,105) and personnel costs (kEUR 4,060; previous year: kEUR 3,992).

Breakdown of liabilities (previous year's figures in brackets):

Liabilities	Total kEUR	Up to 1 year kEUR	Over 5 years kEUR	Of which secured by rights of lien kEUR
To banks	274,674 (66,061)	16,624 (16,111)	0 (0)	16,450 (24,850)
Trade payables	147,621 (126,828)	147,621 (126,828)	0 (0)	0 (0)
Amounts payable to affiliated companies	1,304,566 (259,758*)	1,008,139 (259,758*)	0 (0)	0 (0)
Amounts payable to entities in which the company has a participating interest	172,958 (37,058*)	172,958 (37,058*)	0 (0)	0 (0)
Other	20,056 (382)	20,056 (382)	0 (0)	0 (0)
	1,919,875 (490,087)	1,365,398 (440,086)	0 (0)	16,450 (24,850)

* As of the reporting date, the presentation of liabilities from affiliated companies and undertakings in which GAZPROM Germania GmbH has a participating interest was changed in comparison to the previous year. The data in both the notes and the balance sheet has been adjusted accordingly.

Bank liabilities include kEUR 250,000 in promissory note loans (previous year: kEUR 33,500).

They also include kEUR 7,483 (previous year: kEUR 7,147) payable to a company in which GPG has a participating interest.

Amounts payable to affiliated companies include trade payables of kEUR 413,556 (previous year: kEUR 256,975; figure updated due to changes in presentation) and cash management liabilities of kEUR 256,573 (previous year: kEUR 41,545).

The liabilities reported include a loan of kEUR 296,374 (previous year: kEUR 0) with a remaining maturity of more than one year.

Amounts payable to affiliated companies include kEUR 519,846 (previous year: kEUR 65,723) payable to the shareholder.

Amounts payable to entities in which the company has a participating interest include trade receivables in the amount of kEUR 110,317 (previous year: kEUR 36,471; figure updated due to changes in presentation) and loan liabilities in the amount of kEUR 62,641 (previous year: kEUR 0).

Other liabilities include tax liabilities in the amount of kEUR 18,221 (previous year: kEUR 118), while liabilities related to social benefits totalled kEUR 3 (previous year: kEUR 1). The tax liabilities include USD 23,667 in withholding tax liabilities that will be generated when dividends are distributed on 1 April 2011.

5. Contingent Liabilities and Other Financial Commitments

The following contingent liabilities and other commitments existed on the reporting date (previous year's figures in brackets):

	kEUR	Terms up to 1 year kEUR	Terms more than 5 years kEUR
Letters of comfort	16,606 (4,735)	0 (0)	16,606 (4,735)
Payment guarantees (sureties) ¹	28,721 (81,629)	23,577 (46,354)	0 (15,966)
Loan sureties	19,783 (69,416)	0 (0)	19,783 (69,416)
Investment obligations	11,056 (41,658)	11,056 (41,658)	0 (0)
Other performance obligations	23,968 (28,800)	14,831 (10,750)	0 (0)
	100,135 (226,238)	49,464 (98,762)	36,389 (90,117)

¹ Of which kEUR 27,466 is payable to affiliated companies

There was no identifiable use of letters of comfort, payment guarantees, or loan sureties by GPG.

The reported loan surety relates to a line of credit granted to an affiliated company that had not been used by the reporting date.

6. Notes to the Income Statement

Revenue arose from:

	2010 kEUR	2009 kEUR
Natural gas trading:		
– in Eastern Europe, Western and Central Asia	6,556,952	5,491,669
– in Western Europe	0	293,440
Total natural gas trading	6,556,952	5,785,109
Services	6,583	5,600
	6,563,535	5,790,709

Other operating income (kEUR 285,360; previous year: kEUR 401,689) comprised foreign exchange gains of kEUR 237,313 (of which kEUR 10,325 were unrealized; previous year: kEUR 335,112 total) and income from an acquired receivable of kEUR 41,037 (previous year: kEUR 0).

The special tax-allowable reserve (kEUR 1,123; previous year: kEUR 1,232) was dissolved in the reporting year, with kEUR 109 (previous year: kEUR 91) recognized as income.

Staff costs refer to pension expenses of kEUR 727 (previous year: kEUR 685).

kEUR 2,623 of property, plant and equipment assets were written down (previous year: kEUR 24,583).

Other operating expenses (kEUR 289,550) comprised foreign exchange losses of kEUR 223,093 (of which kEUR 13,001 were unrealized; previous year: kEUR 199,045 total).

kEUR 90,499 of income from investments pertains to affiliated companies (previous year: kEUR 70,988).

Income from other securities and loans granted includes kEUR 699 in income from affiliated companies (previous year: kEUR 1,078).

kEUR 2,789 of other interest and similar income pertains to affiliated companies (previous year: kEUR 8,236).

kEUR 14,652 were written down on participations (previous year: kEUR 11,586).

kEUR 731 of interest and similar expenses pertains to affiliated companies (previous year: kEUR 87,518).

Taxes on income and earnings were as follows:

	2010 kEUR	2009 kEUR
Tax on the profit on ordinary activities	24,882	58,066
Tax on extraordinary profit	2,565	949
Tax expense (+) or refunds (-) from previous years	-291	3,122
Withholding tax	3,638	1,791
	30,794	63,928

The following auditing costs were recorded:

	2010 kEUR	2009 kEUR
Statutory auditing ¹	593	627
Other auditing services	0	0
Tax consultancy services	0	19
Other services	459	87
	1,052	733

¹ The previous year's value has been modified to include fees paid for the auditing of GAZPROM Germania GmbH's subgroup financial statement.

Significant Business with Related Companies

The following significant business conducted with related companies that are not consolidated wholly-owned subsidiaries is included in our financial statements (previous year's figures in brackets):

	Gas sales kEUR	Gas purchases kEUR	Acquisition of transport services kEUR	Loans granted kEUR
Controlling companies	5,824,654 (4,858,843)	2,334,730 (2,292,415)	984,337 (717,359)	332,959 (0)
Other GAZPROM group companies	0 (55,703)	1,033,464 (678,203)	0 (0)	0 (0)
Joint ventures	95,579 (106,028)	0 (17,101)	0 (0)	0 (27,496)
Associated companies	0 (0)	0 (292,778)	0 (0)	414,792 (393,844)
Other related companies and persons	0 (0)	0 (0)	0 (0)	0 (0)
	5,920,233 (5,020,574)	3,368,194 (3,280,497)	984,337 (717,359)	747,751 (421,340)

Interest-free loans totalling kEUR 20,948 (previous year: kEUR 110,570) were granted to associated companies in the reporting year.

GAZPROM Germania GmbH has a line of credit from Gazprombank OJSC totalling kUSD 200,000 (utilization on 31 December 2010: kEUR 7,872 including interest liabilities).

Interest of 3.2% p.a. is being applied to the loan extended to GAZPROM OJSC on 30 November 2010 (kUSD 444,900) as contractually agreed.

7. Utilization of Derivative Financial Instruments

GPG is exposed to currency and interest risks through the course of ordinary business. Derivative financial instruments, in particular forward foreign exchange contracts, are applied in cases where GPG seeks to hedge risks.

Derivative financial instruments are used only if they are backed by funds arising from operating activities or future transactions. The conclusion and settlement of such transactions are subject to strict controls. The foreign exchange and interest rate risks that arise from underlying transactions and the derivative transactions concluded in order to hedge risks are subject to constant monitoring. Foreign exchange derivatives are generally used to hedge GBP and USD exchange risk. Commodity futures agreements made during the financial year for the purchase of gas are not at risk, according to a market evaluation at the reporting date.

The following forward foreign exchange contracts and interest rate derivatives existed on the reporting date (previous year's figures in brackets):

	Nominal value kEUR	Book value kEUR	Fair value kEUR
Forward foreign exchange contracts	21,844 (1,854)	0 (0)	0 (15)
Interest swaps	261,450 (49,700)	-1,932 (-1,084)	-1,932 (-1,084)
Commodity derivatives	6,545 (0)	0 (0)	853 (0)

The fair values of derivative financial instruments are determined using standard market evaluation models based on of market data available on the day of determination. Derivative contracts are evaluated individually by comparing the exchange amount and current market forward rates on the valuation date with the agreed forward rates or contract rates.

The market value of interest swaps was determined by discounting the expected future payment streams across the remaining contract term based on the current market interest rates and interest structure curve.

The fair value of commodity derivatives was determined using the forward curve for the date in question. The resulting value was compared to the contractually agreed forward price.

8. Other Information

The average number of employees (not including trainees) was 202 (previous year: 175).

Managing directors in the reporting period:

- Dipl.-Ing. Hans-Joachim Gornig, Berlin, Senior Managing Director (until 22 July 2010)
- Vladimir V. Kotenev, Moscow, Russian Federation (since 1 July 2010), Managing Director, Senior Managing Director (since 22 July 2010)
- Andrey Biryulin, Moscow, Russian Federation, Head of the Natural Gas Trading, Gas Storage, and Electricity Generation business area

A Supervisory Board was established on 12 December 2008.

The Supervisory Board comprised the following members during the financial year:

- Mr Alexander I. Medvedev – Director General of Gazprom export LLC and Deputy Chairman of the Management Committee of GAZPROM OJSC
- Mr Sergey Emelyanov – First Deputy Director General of Gazprom export LLC
- Mr Alexander I. Efremov – Deputy Director General of Gazprom export LLC
- Mr Andrey I. Akimov – Chairman of the Management Committee of Gazprombank OJSC
- Mr Andrey Kruglov – Deputy Chairman of the Management Committee of GAZPROM OJSC, Head of the Department of Finance and Economics

Alexander I. Medvedev was appointed Chairman of the Supervisory Board in January 2009.

Members of these bodies received the following remuneration in the financial year:

	EUR
Active members of the management	2,469,012.72
Supervisory Board	775,390.00

The company chooses not to provide details on the remuneration of the managing director who left the company during the financial year, as afforded to the company by section 286 (4) of the German Commercial Code.

Gazprom export LLC, Moscow, is the direct parent company. GAZPROM OJSC, Moscow, is the parent company that draws up financial statements for the largest scope of consolidation. Our company is included in the scope of this consolidation. Copies of the Consolidated Financial Statements are available from GAZPROM OJSC, Moscow.

Berlin, 8 April 2011

The Management

Vladimir Kotenev Senior Managing Director	Andrey Biryulin Managing Director
--	--------------------------------------

Auditors' Report

We audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the accounting system and the management report of GAZPROM Germania GmbH, Berlin, for the financial year from January 1 to December 31, 2010. Maintenance of the books and records and the preparation of the annual financial statements and the management report in accordance with German commercial law and the supplementary provisions of the articles of incorporation are the responsibility of the Company's Management. Our responsibility is to express an opinion on the annual financial statements, together with the accounting system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 HGB, and in conformity with the German auditing standards promulgated by the German Institute of Certified Public Accountants (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting disclosures and valuations in the accounting system, annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Management as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any objections.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and the supplementary provisions of the articles of incorporation and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The management report is consistent with the financial statements and provides, as a whole, a suitable understanding of the Company's position, and suitably presents the opportunities and risks of future development.

Berlin, 12 April 2011

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft
(Auditing Company)

Harald Herrmann
Wirtschaftsprüfer
(German Public Auditor)

ppa. Sten Kunzmann
Wirtschaftsprüfer
(German Public Auditor)



Published by GAZPROM Germania GmbH, Berlin

Layout and production REIHER Grafikdesign & Druck, Berlin

Available at GAZPROM Germania GmbH
Markgrafenstraße 23
10117 Berlin

Phone +49 30 20195-0
Fax +49 30 20195-313
info@gazprom-germania.de
www.gazprom-germania.de

Contact Susanne Fleischer

