

Consolidated Financial Statements (IFRS)

2008



At a Glance

Key Figures of GAZPROM Germania Group

	2008	2007	2006
Revenue (million EUR)	14,674.3	7,470.4	6,148.5
Cost of materials (million EUR)	14,052.1	7,171.6	5,817.6
Earnings before tax (million EUR)	641.4	520.0	465.2
Result for the year (million EUR)	537.2	420.4	383.5
EBIT ¹ (million EUR)	700.8	593.0	480.4
EBITDA ² (million EUR)	711.0	603.5	495.4
Total assets (million EUR)	8,307.6	7,242.1	6,486.3
Shareholders' equity (million EUR)	2,866.6	3,679.4	2,470.0
ROE (%)	16.4	13.7	22.5
ROCE ³ (%)	17.5	13.3	20.2

¹ Result for the year from continued operations before interest and income tax

² Result for the year from continued operations before interest, income tax, depreciation and amortisation

³ EBIT with regard to equity plus long-term loan capital

	2008	2007	2006
Employees, average for the year	415	251	178
Natural gas sales, GAZPROM Germania, consolidated (TWh)	633.7	464.9	395.2
Natural gas sales, ZMB GmbH (TWh)	190.9	164.6	161.6
Natural gas sales, GM&T Ltd (TWh)	269.0	171.0	83.8
Natural gas sales, ZMB (Schweiz) AG (TWh)	118.0	93.2	135.6
Natural gas production, Shakhpakhty (Mm ³)	360	330	230
Natural gas production, Gissarneftgaz (Mm ³)	5,106	1,616	
Associated gas processing, Kokdumalak (Mm ³)	4,187	3,930	1,360



Energy Unites People

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GAZPROM Germania GmbH

2008



Contents

5	Group Management Report
24	Consolidated Income Statement
25	Consolidated Statement of Other Comprehensive Income
26	Consolidated Balance Sheet
28	Consolidated Statement of Changes in Equity
30	Consolidated Cash Flow Statement
32	Notes to the Consolidated Financial Statements
110	Independent Auditors' Report

Group Management Report 2008 of GAZPROM Germania GmbH

In its over 17-year history, GAZPROM Germania GmbH (GPG), through its subsidiaries and joint ventures, has developed into a recognised gas trading and services group. As the shareholder of a host of trading and service-providing companies in several countries, GPG represents the interests of the Group's parent company, GAZPROM Open Joint Stock Company (OJSC), through its subsidiary Gazprom export Limited Liability Company (LLC). It contributes to GAZPROM OJSC's strategy of consolidating its role as a leading globally operating energy company.

The result achieved by the GAZPROM Germania Group in the 2008 financial year in the amount of EUR 537.2 million once again noticeably exceeded the extraordinarily positive previous year's result of EUR 420.4 million.

The 2008 EBIT at EUR 700.8 million substantially exceeded the previous year's figure (EUR 593.0 million).

The natural gas companies incorporated in the GAZPROM Germania Group, particularly its wholly-owned subsidiary ZMB GmbH (ZMB) and the latter's subsidiaries ZMB (Schweiz) AG and Gazprom Marketing & Trading Ltd (GM&T), succeeded in significantly extending their positions in their respective markets during the reporting period.

Through its subsidiaries and joint ventures, GPG invests in infrastructure projects and is preparing to acquire further shareholdings in operators of natural gas transmission pipelines, natural gas storage facilities and power plants. The GAZPROM Germania Group is also opening up new market segments such as trading with electrical power and CO₂ certificates, and is penetrating new geographical markets; for example, in the Czech Republic, France and Italy.

The very dynamic price development of the NOVATEK Open Joint Stock Company's (OJSC) share (GDR) peaked in the middle of the reporting period at approx. USD 95. As a result of both the financial market crisis and the fall in commodity prices, which have also adversely affected the Russian stock exchanges, the quotation of the NOVATEK share could not evade the general downward trend and fell below the purchase price. The share price on 31 December 2008 amounted to USD 19.15. Both the share price development in the past few years up to the moment when the annual financial statements were being prepared and the Company's key financials give rise to expectations that the share price is likely to recover.

General Basic Economic Conditions

The current world economic situation is characterized by a significant recession. As a result of the worldwide financial market crisis which emerged in the second half of 2008 and the economic distortions caused by this crisis, the most important economic areas have slid into recession. The growth rates of the newly industrializing countries which have been developing dynamically so far are also significantly slowing down.

The continuous economic downturn in the Federal Republic of Germany accelerated further in the 4th quarter of 2008. As a result of this adverse development, the price-adjusted German gross domestic product in the past calendar year increased by only 1.3%.

The manufacturing sector, which is highly dependent on exports, recorded a significant decline as a lack of orders caused a loss of production and reductions in investment projects.

While commodity prices peaked in July of the previous year, the dramatically decreased energy prices currently considerably contribute to slowing down price acceleration. Nearing almost USD 150/barrel in July 2008, the crude oil price currently amounts to approx. USD 50/barrel.

The sharp oil price variations and currency fluctuations which emerged as a result of the crisis have created a challenging market situation. The worldwide recession is continuing to put pressure on the dramatically decreased commodity prices, thus reducing the expected revenue and result of the subsidiaries and joint ventures incorporated in the GAZPROM Germania Group.

Notwithstanding the current situation, we are, however, confident that the economic situation in Europe will stabilize in the medium and long run and that commodity prices will recover sustainably.

While Europe's own gas production will further decline owing to both resource depletion in existing deposits and lack of essential new discoveries, natural gas imports, particularly from Russia and Central Asia, will continue to rise.

In 2008, natural gas consumption in Germany was at a stable level of 97 Gm³. The share of natural gas in total primary energy consumption remained unchanged at just under 25%.

Gas produced in Germany only covers approx. 15% of the German natural gas demand. The bulk of natural gas is imported, primarily from Russia (39%), Norway (29%) and the Netherlands (17%).

The extension of the European gas storage infrastructure to a working gas capacity of 81 Gm³ in 2008 is a contribution to strengthening energy supply security. Thus, quick access to these capacities enables balancing seasonal variations. Germany alone has a storage capacity of 20 Gm³ to ensure that the country's natural gas demand can be satisfied also in cold seasons.

In addition to pipeline gas, liquefied natural gas (LNG) is gaining growing importance. Both transportation flexibility and access to capacities on a global market boost sales continuously. A host of large LNG liquefaction and regasification projects will be put into operation in the next few years.

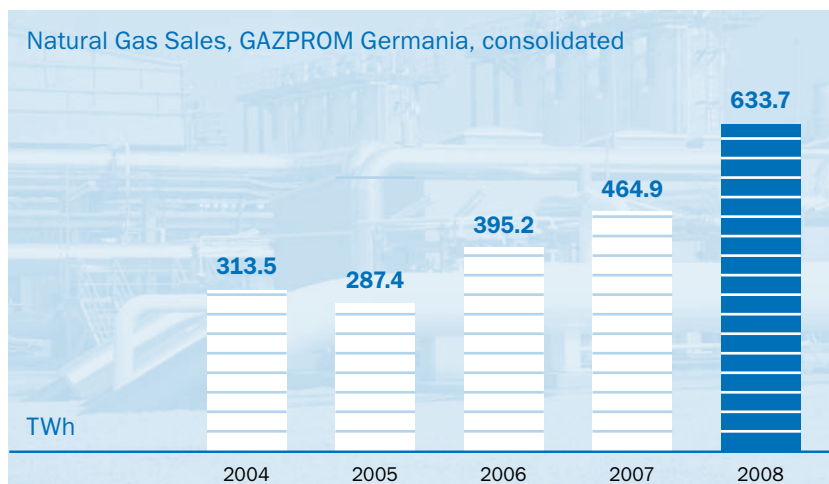
According to forecasts, the use of natural gas in the European electricity generation sector is increasingly gaining in importance. Particularly the South-eastern European countries will satisfy their growing electricity demand from gas-fired power stations. The political directions set after the 2009 Bundestag elections will have an impact on the future role of natural gas in German electricity generation. In any case, moderate growth in natural gas consumption is expected in the power plant sector.

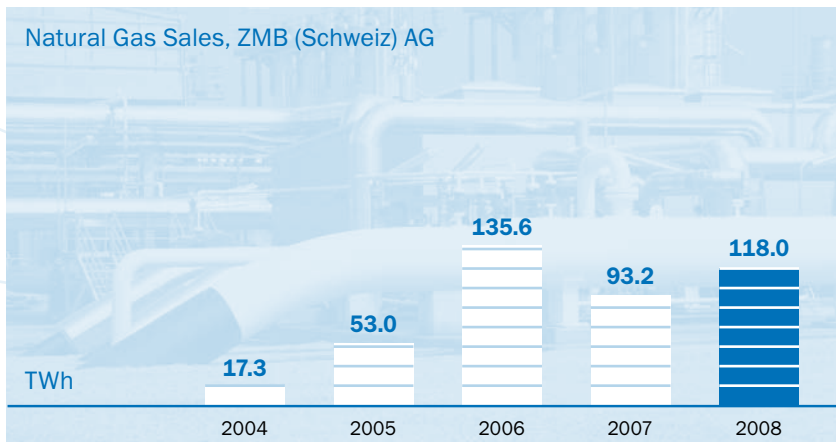
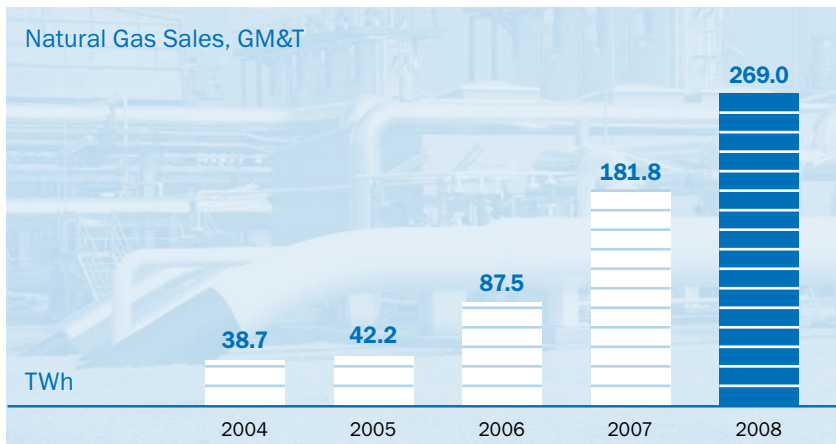
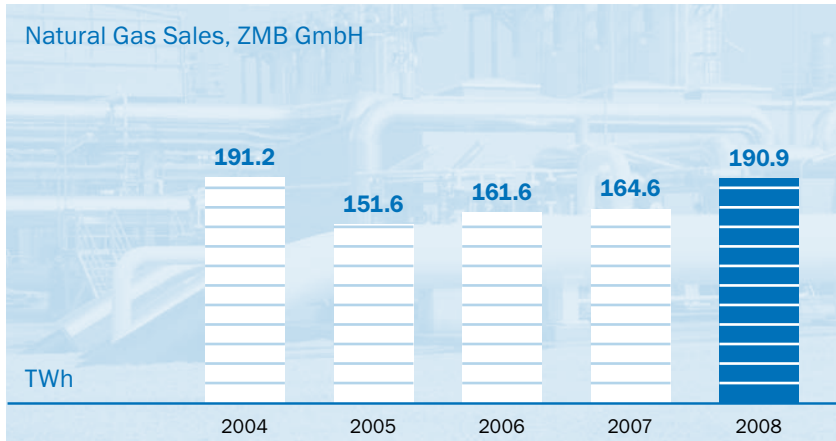
Thanks to the connection of the largest known gas reserves in the world – located in Russia – to the European pipeline system and its extension through the planned Nord Stream and South Stream transmission pipelines, the European customers can be reliably supplied with an additional annual amount of up to 85 Gm³ of natural gas in the future. Russia will therefore remain the most important natural gas supplier for Europe in future.

Financial Situation of Natural Gas Companies

GAZPROM Germania Group's consolidated natural gas sales totalled 633.7 TWh compared to 464.9 TWh in the previous year. In the reporting period, GAZPROM Germania Group's consolidated revenue reached EUR 14,674.3 million which corresponds to an increase of 96.4% compared to the previous year's period.

The development of WINGAS GmbH, Kassel (WINGAS), Wintershall Erdgas Handelshaus GmbH & Co. KG, Berlin (WIEH), and Wintershall Erdgas Handelshaus Zug AG (WIEE), which are jointly managed with Wintershall Holding AG has been as positive as in the previous years, thus enabling the companies to significantly contribute to the consolidated result also in 2008. All three companies succeeded in substantially increasing their revenue in 2008.





Notwithstanding a reduction in WINGAS's EBIT, GPG's result from investments in WINGAS increased considerably. As a result of the change of legal form into a limited partnership, payment of income tax under corporate taxation is shifted to the limited partner's level.

In 2008, ZMB GmbH (ZMB) generated revenue of EUR 2,551.2 million, thus noticeably exceeding the previous year's figure of EUR 1,774.0 million. This corresponds to total gas sales in the amount of 18.5 Gm³ or 190.9 TWh (previous year 16.0 Gm³ or 164.6 TWh). ZMB's result before income tax increased from EUR 34.9 million in the previous year to EUR 119.0 million.

In 2008, ZMB (Schweiz) AG succeeded in further increasing its sales volumes and revenue of the 2007 reporting period. As in 2007, the company profited from increased natural gas purchases from Central Asia which partly originated from the GAZPROM Germania Group's own fields and could successfully be sold, thus enabling the company to achieve an extraordinarily good result.

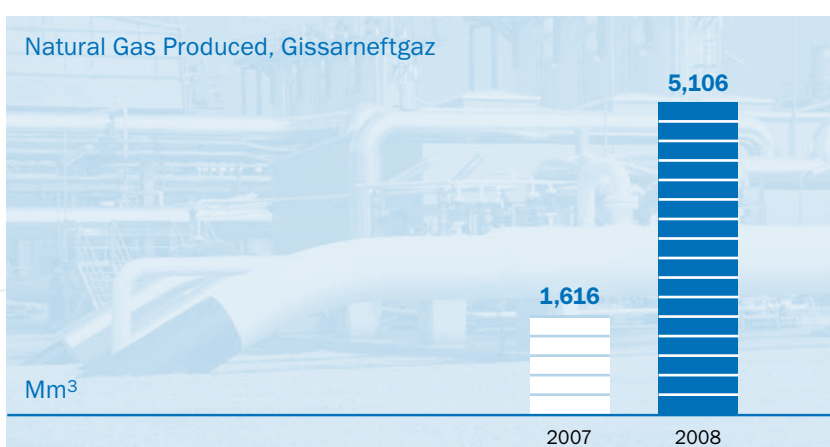
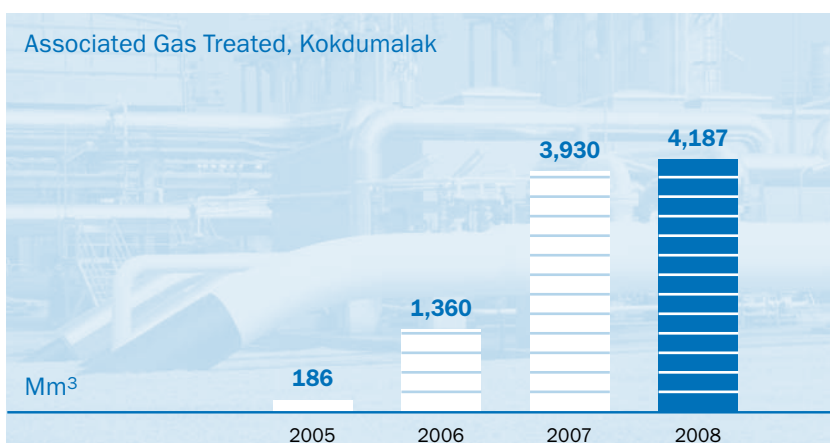
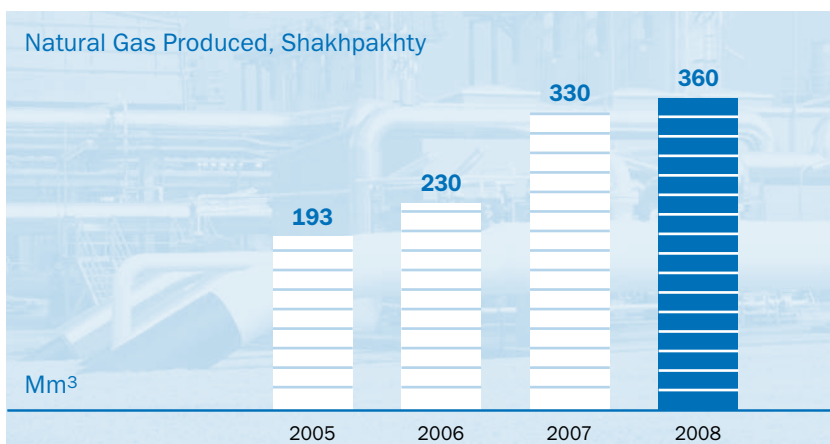
In 2008, Gazprom Marketing & Trading and its subsidiaries scored a strong continuous growth in their entire business portfolio comprised of the gas trading sector (including supply to end customers and financial gas trading), as well as the LNG, power and CO₂ trading sectors. Particularly boosted by intensified activities in financial gas trading, the company's revenue increased from EUR 3,794 million to EUR 8,349 million. In October 2008, the LNG trading business was outsourced to the newly established company Gazprom Global LNG.

By supplying gas and other energy products under the GAZPROM brand to commercial end customers in the UK, GM&T succeeded in enhancing its presence on both the trading and industrial markets.

In 2006, the Istanbul based Bosphorus Gaz Corporation A.S., in which ZMB has a 40% shareholding, has successfully participated in a tender for transportation of imported gas and for obtaining a Turkish import license for Russian natural gas for the period up to 2022. After obtaining the import license in November 2007, a gas delivery contract was successfully concluded in the 2008 financial year. The company commenced deliveries in January 2009 in competition with BOTAS. An annual amount of 750 Mm³ of natural gas is being sold to industrial and power plants as well as to utilities in Turkey. The rise in gas prices in Turkey suggests that the company will enter the market successfully.

In 2008, the Czech gas trading company Vemex s.r.o., Prague, succeeded in extending its position on the Czech natural gas market. After increasing its share capital in 2009, ZMB currently holds a 50.14% share in this company. In the reporting period, the company sold approx. 800 Mm³ on the Czech gas market mainly to industrial customers. Thus, Vemex's market share has reached approx. 8%.

Together with Centrex Europe Energy & Gas AG the GPG Group entered the Italian gas market. CEA Centrex Energy & Gas AG (ZMB's shareholding is 50.14%) and its Italian subsidiary CEA Centrex Italia S.r.l. commenced deliveries of Russian natural gas to Italy on 1 October 2008. Natural gas is delivered to A2A Beta, a future joint venture between the Northern Italian energy suppliers A2A, Iride and ZMB. The parties have reached a contractual agreement to establish a long-term cooperation on the Italian gas market.



Investments and Projects

In the financial year under review, the GAZPROM Germania Group invested over EUR 180 million in consolidating their market position as a gas trading group to Western and Eastern European markets, as well as to markets in Central Asia.

In the reporting period, GPG's contribution to an increase in the capital reserves of WINGAS amounted to EUR 100.0 million. These funds serve to improve the company's equity situation in connection with the planned investments of WINGAS, particularly in the Nord Stream onshore project.

Since October 2006, the GPG Group has been holding a 19.39% share in NOVATEK OJSC, the second biggest natural gas producer in Russia after GPG's parent company GAZPROM OJSC. This shareholding serves to extend the resource basis of the GAZPROM Group and to sustainably ensure natural gas supply security. In 2008, NOVATEK OJSC produced 30.9 Gm³ of natural gas, thus exceeding the previous year's figure by 8.3%. Despite the company's positive development and optimistic expectations for a continuously good result, the price development of the NOVATEK share was adversely affected by the drastic distortions emerging in the international financial markets. The restructuring of the shareholding within the GAZPROM Group is planned for the current financial year.

Further investment activities are focussed on the acquisition of shares in the Uzbek upstream project Gissarneftgaz by G.P.D. and on the implementation of gas storage projects, in particular with regard to the UGS facilities Haidach (Austria) and Etzel (Germany) as well as on testing the reservoir rock of the Hinrichshagen structure as to whether it is suitable to serve as a UGS facility.

The strategic shareholding projects consolidate the core business of GPG and its position as a holding company of the gas trading group in the markets of Western and Eastern Europe.

As a result of the current economic downturn, which adversely affects project efficiency and restricts refinancing possibilities in the financial market, and owing to deteriorating regulatory conditions, potential investment plans are currently under critical review.

Social Commitment

As a German-based company with Russian roots and an European orientation, GAZPROM Germania GmbH has been actively supporting the intercultural dialogue between Russia and Germany for many years. Our company operates at the interface of these two countries and with its sponsorship activities in the fields of art and culture, sport, youth and education, health and social commitment, as well as medicine, commits itself to helping to ensure that “new energies” are created from our Russian-German relations.

The promotion of cultural projects has been the focus of our commitment for many years. It is a matter of special importance to us to present Russian artists and cultural workers in Germany and help them to become well known. We are thus contributing to the intercultural exchange between Russia and Germany and to strengthening mutual understanding.

The commitment of our company in the education sector is marked by a large number of measures. In this sector, we pay special attention to the promotion of children as well as school and university students. With our mutual projects we intend to encourage the dialogue between people and to arouse interest in the Russian language and culture.

Furthermore, GAZPROM Germania promotes activities in the fields of health and science, for instance cancer research projects. Since 2007, leading experts of the two countries have been working on the HAROW study concerning the treatment of the locally limited prostate carcinoma. In order to make this study a success, it is imperative to pool the research results achieved in Russia and Germany.

In the field of sport, we give priority to jersey sponsorship and our partnership with FC Schalke 04 football club. In this context we are active in both the game of football itself and in fan work. In summer 2007, GAZPROM Germania, in conjunction with the Gelsenkirchen-based traditional club, initiated a campaign on violence prevention in football “Gib Gas gegen Gewalt”. Under this motto, we have organised charity matches at the SG Dynamo Dresden, the 1st FC Magdeburg and the Alemannia Aachen football clubs. We also promote projects on violence prevention in both professional and amateur football.

Furthermore, we have been sponsoring the Russian national ski jumping team which is coached by the former German ski jumper Wolfgang Steiert. Another emotional sports highlight in 2008 was Katarina Witt’s farewell tour through Germany which took place thanks to GAZPROM Germania’s main sponsorship.

Net Assets, Financial Position and Results of Operations

In the reporting period, the GAZPROM Germania Group succeeded in increasing its profit for the year by EUR 116.8 million to EUR 537.2 million. In 2008, the consolidated revenue increased to EUR 14,674.3 (previous year EUR 7,470.4 million). Almost all Group companies saw a substantial increase in sales. Total gas sales volumes rose from 464.9 TWh to 633.7 TWh.

The result was largely attributable to an increase in both the operating result from EUR 209.4 million to EUR 509.6 million and the result from investments accounted for using the equity method by EUR 75.2 million to EUR 198.2 million.

On the other hand, the other financial result decreased by EUR 291.2 million at the balance sheet date due to exchange differences arising from loan liabilities denominated in USD.

In the reporting period, the interest result has improved from EUR –73.0 million to EUR –59.4 million.

Growing trading activities, intensified activities in the areas of natural gas exploration and storage, as well as a search for further business opportunities on the liberalized European energy market, such as power generation on the basis of natural gas, require an increase in the number of employees. This development manifests itself by a rise in staff costs in 2008 to EUR 57.4 million (previous year EUR 38.3 million).

The aforementioned decrease in the NOVATEK share price (GDR) to USD 19.15 per share at the balance sheet date resulted in a stock market price of the share of EUR 810.2 million as at 31 December 2008. The share price temporarily recovered to over 27 USD at the time of preparation of this report.

Owing to the company's positive development during the past few years (increased sales volumes, prices above average and thus a continuous rise in revenue and annual surplus) and the forward-looking statements (particularly in view of expected further price increases on the Russian domestic market and positive basic financial data) we are confident that the decline in value of this investment will not be long-lasting.

We have reached an agreement with GAZPROM OJSC to sell the shares to a company incorporated in the GAZPROM Group at a price which covers the initial costs of GAZPROM Germania considering any expenses and revenue in connection with our activities in the transaction.

A fair value hedge was used between the investment in NOVATEK OJSC and the agreement with GAZPROM OJSC. Based on the results of the assessment of the agreement with GAZPROM OJSC, impairment of investment in NOVATEK in the amount of EUR 1,031.6 million recognised within 'Other result from investments' is offset by income recognised in the line item 'Result from Changes in Fair Value in the Financing Activities' in the amount of EUR 1,013.1 million.

The balance sheet total of the GAZPROM Group increased again in 2008, reaching EUR 8,307.6 million as of 31 December 2008 (previous year: EUR 7,242.1 million). Notwithstanding a decrease in the value of investment in NOVATEK and the associated decrease in equity, the balance sheet total has risen as a result of an increase in trade and other receivables and liabilities as well as in derivative financial instruments, largely commodity derivatives.

The development of the NOVATEK share price resulted in a change in the measurement of the total value of the shareholding in NOVATEK OJSC by EUR 1,232.5 million recognised directly in equity, and in the corresponding decrease in the reserve for changes in fair values arising from available-for-sale financial assets. Despite the positive result for the year, equity decreased in the aggregate by EUR 812.8 million to EUR 2,866.6 million.

In May 2008, ZMB GmbH and GAZPROM Germania GmbH as credit borrowers reached an agreement with the bank consortium granting the operating credit line to the amount of EUR 500 million to prolong the first term of tranche A in the amount of EUR 300 million to May 2009. The term of tranche B in the amount of EUR 200 million ends in May 2010. An amount of approx. EUR 298 million had been utilized under the credit line granted by 31 December 2008.

Currently, the bank consortium consists of Commerzbank AG, Dresdner Bank AG, West LB AG, Landesbank Baden-Württemberg, IKB Deutsche Industriebank AG and KfW-IPEX Bank GmbH respectively.

As in the past, a bank consortium consisting of Commerzbank AG and Dresdner Bank AG are granting two appropriated credits to the amount of EUR 100 million to finance the Saltfleetby and Etzel natural gas storage projects. The term of these credits will end in October 2012. They had been utilized at approx. EUR 33 million by 31 December 2008.

In connection with the restructuring of the investments in NOVATEK OJSC within the GAZPROM Group planned for 2009, interest payment and redemption of the loan granted by GAZPROM OJSC which, at the balance

sheet date, is shown at EUR 1,433.3 million was suspended by agreement of December 2007 until the termination of the credit agreement in 2013.

No further transactions of major importance were effected after the balance sheet date.

Risk Management Report

The Risk Management function of the GPG Group ensures early identification, assessment, management and monitoring of the risks existing within the Group.

Market price risk within the context of GPG results, on the one hand, from changing exchange rates – basically limited to the loans granted by GAZPROM OJSC in USD. This risk is analysed on a continuous basis by GPG's Risk Management and, as required, minimized by means of appropriate measures.

On the other hand, market price risk arises from the change in fair values of shareholdings which are based on public listings in the case of the shareholding in NOVATEK OJSC.

Since the fixed interest period is, as a rule, determined on the basis of short-term reference interest rates, granted and received loans are exposed to an interest rate risk. This risk is monitored using Value-at-Risk analyses. The loan granted by GAZPROM OJSC is not exposed to any cash flow risk arising from an increase in market interest rates owing to the long-term fixed interest period.

Additionally, there is a Risk Oversight Committee (ROC) at GM&T which meets monthly under the chair of one of the Managing Directors of ZMB GmbH. GM&T sells natural gas at organised trading hubs and enters into unsecured positions within the scope of a defined limit system. It is the duty of the ROC to continuously monitor the risk resulting from these sales on the basis of a regular reporting system. Exposures are added daily to an overall risk position and monitored using a Value-at-Risk approach.

Risk at ZMB arises from exchange rate fluctuations, from purchase and sales obligations denominated in different foreign currencies, and from debt financing in currencies other than the Group's currency. Foreign exchange risk is primarily managed on the basis of cash inflows and outflows denominated in the respective foreign currencies at the respective points in time. Remaining risk is borne by using appropriate hedging transactions as far as possible.

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

Liquidity risk arises from potential fluctuations in the future cash inflows and outflows. This risk can be countered by synchronising cash flows including foreign currency alignment. The Group has access to an uncommitted loan facility which had only been partly utilized as of the balance sheet day.

Fulfilment of obligations arising in future from the loans made available by GAZPROM OJSC, is guaranteed in close coordination with GAZPROM OJSC within the scope of the aforementioned re-organisation planned for 2009.

Default risk arises from sales activities of the GAZPROM Germania Group. Since GPG is not actively participating in sales activities, the company is exposed to this risk only to a limited extent. In order to assess and limit this risk, credit rating procedures are applied and changes in credit rating are monitored on a continuous basis. Unless corporate strategic risk is concerned, decisions on loan extension are made taking into account the probability of default of counterparties and the extent of damage associated with it. As far as possible, framework agreements containing branch-specific hedging and netting provisions are applied to manage this risk.

Financial transactions, as well as natural gas trading activities of GM&T, are restricted to business relations with contractual parties with a good credit standing. The credit risk is reduced by allocating limits depending on credit standing. Observance of the limits is monitored daily.

Human Resources

The prerequisite for the financial success of the GAZPROM Germania Group generated in the 2008 financial year was the commitment of our highly qualified employees.

In 2008, the average number of GAZPROM Germania Group's employees totalled 415 (previous year 251), of which 170 were employed at the Berlin office (previous year 120).

Further training and qualification upgrading programmes prepare our employees for the next stages of our company's development which will enable them to contribute to the achievement of our current and future corporate goals.

At the beginning of 2008, GAZPROM Germania joined the European School of Management and Technology (ESMT) as one of the benefactors. This cooperation allows us to offer our experts and executives numerous opportunities to attend international courses for advanced professional training.

Our long-standing cooperation with the Technical University Bergakademie Freiberg, the Humboldt-University in Berlin, and since last year also with the Faculty of Economics of Leipzig University, within the scope of the first German-Russian Master's Degree course in Business Administration for the energy industry, is aimed at establishing ties between future top executives and our company already during their studies.

Risks and Opportunities of Future Development

Ever since its establishment, the GAZPROM Germania Group has been on a dynamic path of growth and together with its subsidiaries and joint ventures is now successfully active in more than 20 countries in an increasingly liberalised market environment in the areas of gas sales, exploration, transportation as well as storage. This success is based on a trustworthy and long-standing cooperation with our business partners and the employees of our Group companies.

GAZPROM Germania GmbH is duty-bound to the strategic goals of GAZPROM OJSC as the world's largest natural gas company and in future the world-leading energy group and supports this development by consistently expanding its business portfolio.

Natural gas imports from Russia and Central Asia are increasingly gaining in significance. For this purpose, GAZPROM Germania is building the necessary energy infrastructure by investing in the development of new deposits, the extension of gas transmission pipelines, natural gas storage facilities and gas-fired power stations, with the strong support of its partners.

As a globally operating energy company with a large number of investment-intensive infrastructure projects being planned, implemented and in operation, it is with concern that we observe the increasing regulatory impositions by the European Union and its reservations towards investors from non-EU countries.

We firmly believe that both the construction of new and extension of existing infrastructures demonstrate our commitment to our German and European partners and take into account their desire for increasing integration and a constant, reliable energy supply.

Our company intends to embark on vertical integration by developing all stages of the gas market value chain, to enter the energy generation market, to promote further internationalization in the European and Central Asian business regions, and to continue to diversify its product portfolio by offering supplementary energy sources. In its capacity as asset manager and sales agent of its parent company Gazprom export LLC in Europe and Central Asia, GAZPROM Germania GmbH creates a solid foundation for the company's sustainable business development.

The sharp oil price variations and currency fluctuations which emerged as a result of the current financial crisis have created a challenging market situation in the second half of 2008. The emerging global economic downturn puts commodity prices under pressure day to day and lowers sales and profit expectations of subsidiaries and joint ventures for 2009. The unstable economic environment has imposed stricter requirements on new investment projects.

Notwithstanding the current situation, GAZPROM Germania GmbH is confident that the economic situation will stabilize in the medium and long run and that commodity prices will recover.

Berlin, 30 March 2009

The Managing Director

Consolidated Income Statement

	Notes	2008 kEUR	2007 kEUR
Revenue	1	14,674,321	7,470,407
Other operating income	2	500,558	137,018
Cost of materials	3	-14,052,098	-7,171,595
Employee benefits expense	4	-57,397	-38,263
Depreciation and amortisation expense, impairment of intangible and tangible assets	5	-10,209	-10,507
Other tax expense		-7,850	-66
Other operating expense	6	-524,147	-231,475
Result from changes in fair value in the operating activities	7	-13,550	53,873
Operating profit		509,628	209,392
Interest income	8	45,117	42,310
Interest expense	9	-104,488	-115,285
Result from investments accounted for using the equity method	10	198,183	122,970
Other result from investments	11	-921,653	66,881
Other financial income	12	28,045	197,540
Other financial expense	13	-125,486	-3,785
Result from changes in fair value in the financing activities	14	1,012,041	
Result before tax		641,387	520,023
Income tax expense	15	-104,283	-99,620
Result from continued operations		537,104	420,403
Result from discontinued operations	16	117	
Profit for the year		537,221	420,403
Group profit for the year		541,021	417,793
Profit for the year attributable to non-controlling interest	18	-3,800	2,610
Total profit for the year		537,221	420,403

Consolidated Statement of Other Comprehensive Income

	Notes	2008 kEUR	2007 kEUR
Profit for the year		537,221	420,403
Change in fair value of available-for-sale financial assets		-1,232,467	253,784
Change in fair value of non-current assets held for sale		-46,100	
Cash flow hedges		-14,680	-4,633
Share in comprehensive income of companies accounted for using the equity method		-62,619	
Exchange differences from financial statements of foreign Group companies		-26,973	-23,240
Deferred tax	28	32,300	1,827
Total other comprehensive income	17	-1,350,539	227,738
Total comprehensive income		-813,318	648,141
Total Group comprehensive income		-805,927	645,791
Total comprehensive income attributable to non-controlling interest	18	-7,391	2,350
Total comprehensive income		-813,318	648,141

Consolidated Balance Sheet

Assets	Notes	31/12/2008 kEUR	31/12/2007 kEUR
Cash and cash equivalents	19	303,746	272,398
Trade and other receivables	20	4,220,604	2,178,346
Receivables from income tax		589	6,703
Non-current assets held for sale	21	1,779,201	9,355
Inventories	3, 22	78,258	91,708
Total current assets		6,382,398	2,558,510
Intangible assets	23	10,459	11,108
Property, plant and equipment	24	135,998	125,515
Investment property	25	253	386
Investments accounted for using the equity method	26	1,102,581	904,654
Other financial assets	27	645,849	3,641,896
Deferred tax assets	28	30,079	49
Total non-current assets		1,925,219	4,683,608
Total assets		8,307,617	7,242,118

Equity and Liabilities	Notes	31/12/2008 kEUR	31/12/2007 kEUR
Short-term and current portion of long-term financing liabilities	30	450,057	308,956
Trade and other payables	31	3,011,359	1,531,329
Liabilities from income tax		135,239	42,053
Liabilities from non-current assets held for sale	32	1,544,537	
Total current liabilities		5,141,192	1,882,338
Deferred tax liabilities	28	107,015	98,516
Other long-term provisions	29	12,407	10,294
Long-term financing liabilities	30	39,835	1,413,606
Long-term trade and other payables	31	140,532	157,939
Total non-current liabilities		299,789	1,680,355
Subscribed capital	33	225,595	225,595
Reserves		644,371	1,991,319
Retained earnings		1,992,538	1,451,400
Equity attributable to equity holders of the parent		2,862,504	3,668,314
Non-controlling interest	34	4,132	11,111
Total equity		2,866,636	3,679,425
Total equity and liabilities		8,307,617	7,242,118

Consolidated Statement of Changes in Equity

	Sub- scribed capital	Payments made on decided capital increase	Capital reserve	Available- for-sale financial assets	Non-current assets held for sale
	kEUR	kEUR	kEUR	kEUR	kEUR
01/01/2007	25,595	200,000	234,874	959,647	
Adjustment					
Adjusted as of 01/01/2007	25,595	200,000	234,874	959,647	0
Capital paid in	200,000	-200,000	564,998		
Changes in the scope of consolidation					
Total comprehensive income				254,222	
31/12/2007	225,595	0	799,872	1,213,869	0
Capital paid in					
Changes in the scope of consolidation					
Total comprehensive income				-1,213,869	-46,100
31/12/2008	225,595	0	799,872	0	-46,100

Reserve for changes in			Retained earnings	Equity attributable to equity holders of the parent	Non-controlling interest	Total
Cash flow hedges	Share in other comprehensive income of companies recognised using the equity method	Exchange differences from financial statements of foreign Group companies				
kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
3,222		-456	1,033,087	2,455,969	14,015	2,469,984
		1,036	13	1,049	-1,049	0
3,222	0	580	1,033,100	2,457,018	12,966	2,469,984
				564,998	140	565,138
			507	507	-4,345	-3,838
-3,244		-22,980	417,793	645,791	2,350	648,141
-22	0	-22,400	1,451,400	3,668,314	11,111	3,679,425
				0	499	499
			117	117	-87	30
-10,570	-53,027	-23,382	541,021	-805,927	-7,391	-813,318
-10,592	-53,027	-45,782	1,992,538	2,862,504	4,132	2,866,636

Consolidated Cash Flow Statement

	Notes	2008 kEUR	2007 kEUR
Result before tax		641,387	520,023
Adjustments	35	-611,170	-174,526
Interest paid		-18,219	-95,644
Income tax paid		-52,730	-64,151
Cash flow from operating activities		-40,732	185,702
Interest received		46,786	40,245
Dividends received	26	106,542	102,483
Compensation payment from share swap			18,564
Payments received from disposals of:			
– intangible assets		85	1
– property, plant and equipment		138	380
– investment property		110	1,055
– other financial assets	27	4,883	7,592
Payments made for investments in:			
– intangible assets	23	-1,575	-539
– property, plant and equipment	24	-39,770	-39,531
– shares in Group companies less acquired cash and cash equivalents		-406	10
– investments	26, 27	-125,967	-110,150
– other financial assets	27	-9,773	-26,619
Cash flow from investing activities		-18,947	-6,509

	Notes	2008 kEUR	2007 kEUR
Capital paid in from non-controlling interest		499	140
Proceeds from financing liabilities		1,634,999	482,800
Repayment of financing liabilities		-1,533,470	-715,377
Cash flow from financing activities	36	102,028	-232,437
Total Cash flow from continued operations		42,349	-53,244
Cash flow from discontinued operations		7,568	
Effect of exchange differences in cash and cash equivalents		-18,569	-6,138
Total changes in cash and cash equivalents		31,348	-59,382
Cash and cash equivalents on 1 January		272,398	331,780
Cash and cash equivalents on 31 December		303,746	272,398

Notes to the Consolidated Financial Statements

General Notes

GAZPROM Germania GmbH has its registered office at Markgrafenstrasse 23, 10117 Berlin, Germany and is registered in the Commercial Register of Berlin-Charlottenburg under HRB No. 36569.

The Company's principal activity is the acquisition, management and sale of shareholdings in companies, in particular in those dealing with the import, export and sales of natural gas as well as with planning, construction and utilisation of gas facilities.

Through its subsidiaries and investments our company safeguards the key interests of GAZPROM OJSC in the European and Central Asian gas markets. We also sell natural gas of Russian and Central Asian origin in Western and South-Eastern Europe.

GAZPROM Germania GmbH is a subsidiary of Gazprom export LLC, Moscow (Russia), which is a subsidiary of GAZPROM OJSC, Moscow (Russia). GAZPROM OJSC prepares the Consolidated Financial Statements for the maximum scope of consolidation, wherein GAZPROM Germania GmbH is included. The Consolidated Financial Statements may be ordered from GAZPROM OJSC, ul. Nametkina 16, V-420, GSP-7, 117 997 Moscow (Russia). The company is registered at the Registry Office of the Russian Federation, Moscow, under No. 022.726.

Accounting Principles

The Consolidated Financial Statements of GAZPROM Germania GmbH are prepared pursuant to section 315a sub-section 3 in connection with sub-section 1 HGB (German Commercial Code) in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union. The company refrains from drawing up the Consolidated Financial Statements in compliance with the German Commercial Code (the right of a company to refrain from drawing up Consolidated Financial Statements) pursuant to section 315a sub-section 3 HGB.

The following standards and interpretations, as well as amendments to the existing standards, shall be initially applied in the 2008 financial year:

- Amendments to **IAS 39** (Financial Instruments: Recognition and Measurement) and to **IFRS 7** (Financial Instruments: Disclosures) were made with effect from 1 July 2008. The objective of this amendment is to remove the differences between the reclassification requirements of the US GAAP and IFRS. The amendments to these Standards permit an entity to reclassify non-derivative financial assets out of the 'fair value through profit or loss' category in particular circumstances. The amendments also permit an entity to reclassify a financial asset from the available-for-sale category to the loans and receivables category. The amendments do not have any effect on the Consolidated Financial Statements of GAZPROM Germania.
- **IFRIC 11** (IFRS 2 – Group and Treasury Share Transactions) provides guidance on applying IFRS 2 to share-based payment arrangements involving equity instruments of the entity or another entity within the same Group are granted or where such equity instruments granted are yet to be acquired. IFRIC 11 is effective for annual periods beginning on or after 1 March 2007. This Interpretation does not have any effect on the Consolidated Financial Statements of GAZPROM Germania.

The following standards and interpretations shall be applied for future annual periods:

- **IAS 1 (revised 2007)** (Presentation of Financial Statements) is aimed at improving users' ability to analyse and compare the information given in financial statements. The main feature of the revised Standard is to clearly segregate changes in equity arising from transactions with owners acting in their capacity as owners such as dividend payments and share repurchases and non-owner changes in equity. The revised Standard gives preparers of financial statements the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). The titles of some of the financial statements have been changed. However, the new titles are not mandatory for use in financial statements. The revised Standard is effective for the annual periods beginning on or after 1 January 2009.

- The revised **IAS 23 (revised 2007)** (Borrowing Costs) removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The revised IAS 23 requires the capitalisation of these borrowing costs. A qualifying asset is an asset that takes a substantial period of time to get ready for use or sale. The revised Standard does not require the capitalisation of borrowing costs relating to assets measured at fair value and particular types of inventories. The revised Standard shall be applied to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009. Adopting the accounting principles used by GAZPROM OJSC, the revised Standard was applied in these Consolidated Financial Statements of GAZPROM Germania to all qualifying assets capitalised as from 1 January 2008. The effects in the financial year amount to kEUR 1,484 and are included in the result from investments accounted for using the equity method.

- The revised Standards **IAS 32 and IAS 1 (amendments 2008)** (Financial Instruments Puttable at Fair Value and Obligations Arising on Liquidation) result in changes in the regulations concerning the distinction between equity and liabilities. The revised Standard shall enable inter alia German private partnerships to classify their share capital as equity in the IFRS separate financial statements. Up to the present, financial instruments that gave the holder the right to put the instrument back to the issuer were generally classified as liability. However, there will be no changes in the accounting treatment of non-controlling interest in consolidated private partnerships in the Consolidated Financial Statements. Non-controlling interest shall continue to be accounted for as liabilities. The revised Standards are effective for annual periods beginning on or after 1 January 2009. The amendments do not have any effect on the Consolidated Financial Statements of GAZPROM Germania.

- The revised Standards **IFRS 1 and IAS 27 (amendments 2008)** (Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate in the Separate Financial Statements of a Parent) allow first-time adopters, in their separate financial statements, to use a deemed cost option for determining the cost of an investment in a subsidiary, jointly controlled entity or associate. The deemed cost of such an investment shall be its:

- fair value at the entity's date of transition to IFRSs or
- previous GAAP carrying amount at the date of transition to IFRSs

The definition of amortised cost approach is eliminated. Thus, these amendments remove the requirement to deduct dividends declared out of pre-acquisition profits from the cost of an investment in a subsidiary, jointly controlled entity or associate. Therefore, all dividends from a subsidiary, jointly controlled entity or associate are recognised in profit or loss in the separate financial statements of the parent company. They may, however, indicate impairment.

When an entity reorganises the structure of its group by establishing a new entity as its parent, the amendments require the new parent to measure cost as the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the date of reorganisation when the following conditions are met:

- The new parent gains control of the original parent by issuing equity instruments in exchange for existing equity instruments of the original parent.
- The assets and liabilities of the new group and the original group are the same immediately before and after the reorganisation; and
- The owners of the original parent before the reorganisation have the same absolute and relative interests in the net assets of the original group and the new group immediately before and after the reorganisation.

The amendments to IFRS 1 and IAS 27 are effective for annual periods beginning on or after 1 January 2009 and are to be applied prospectively. The amendments may as well be applied retrospectively to past reorganisations provided that, if an entity applies the amendments for an earlier period, these amendments shall be applied consistently to all reorganisations starting from this date. The amendments are not expected to have any effect on the Consolidated Financial Statements of GAZPROM Germania.

- The revised **IFRS 2 (amendment 2008)** (Share-based Payments – Vesting Conditions and Cancellations) incorporates the following significant changes and clarifications:
 - Vesting conditions are service or performance conditions only.
 - All (premature) cancellations of the plan, whether by the entity itself or by an employee, should receive the same accounting treatment.

The amendments to IFRS 2 are effective for annual periods beginning on or after 1 January 2009. The amendments do not have any effect on the Consolidated Financial Statements of GAZPROM Germania.

- **IFRS 8 (Operating Segments)** replaces IAS 14 and follows the Management Approach of US GAAP in accordance with SFAS 131 Disclosures about Business Segments of an Enterprise and Related Information. The Standard is mandatory for annual periods beginning on or after 1 January 2009.
- **IFRIC 12 (Service Concession Arrangements)** clarifies the accounting treatment of arrangements whereby a government or other public sector body contracts with a private service concession operator to supply public services. The Interpretation is mandatory for annual periods beginning on or after 29 March 2009. IFRIC 12 bears no relevance to the Consolidated Financial Statements of GAZPROM Germania.
- **IFRIC 13 (Customer Loyalty Programmes)** addresses how entities, that grant their customers loyalty award credits (such as “points” or travel miles) when buying goods or services, should account for their obligation to provide free or discounted goods or services. IFRIC 13 is mandatory for annual periods beginning on or after 1 July 2008. This Interpretation does not have any effect on the Consolidated Financial Statements of GAZPROM Germania.
- **IFRIC 14 (IAS 19 – The Limit on a Defined Benefit Asset and Minimum Funding Requirements and their Interaction)** addresses the interaction between a minimum funding requirement and the limit placed by IAS 19 on the measurement of the defined benefit asset or liability. IFRIC 14 is effective for annual periods beginning on or after 1 January 2008. No material effect on the Consolidated Financial Statements of GAZPROM Germania is expected.
- Furthermore, various amendments as part of the **Improvements to IFRSs 2008** (Annual Improvements) effective 1 January 2009 were passed.

The following Standards and Interpretations have not yet been adopted by the European Union, and, if required, shall be applied for future annual periods only:

- Amendments to **IAS 27 (revised 2008)** (Consolidated and Separate Financial Statements) require the use of the so-called “Economic Entity Approach” when accounting for transactions with the non-controlling interest. Changes in a parent’s ownership interest in a subsidiary that do not result in a loss of control are recognised in equity similarly to other transactions with equity holders. As a consequence, there are no changes in book value of the recognised assets (including goodwill) or liabilities arising from such transactions. When an entity loses control of a subsidiary, any gain or loss on a disposal is recognised in profit or loss. Any differences between the fair value and the book value of the investment retained are recognised in profit or loss. A further significant change to **IAS 27 (revised 2008)** addresses the allocation of losses attributable to non-controlling interest. The amended **IAS 27 (revised 2008)** is effective for annual periods beginning on or after 1 July 2009. The amendments may increase volatility of profit or loss of GAZPROM Germania.

- The amendments to **IAS 39** (Financial Instruments: Recognition and Measurement [Eligible Hedged Items]) address:

- Conditions under which the inflationary risk can be a hedged item using hedging transactions and
- The possibility to use options as the hedging instrument to hedge one-sided risks.

The amendments are effective for the annual periods beginning on or after 1 July 2009. The amendments are not expected to have any effect on the Consolidated Financial Statements of GAZPROM Germania.

- **IFRS 3 (revised 2008)** (Business Combinations) establishes that transaction costs directly associated with the business combination (such as advisory and legal fees) no longer shall form a part of the acquisition price but shall be generally recognised in profit or loss. Contingent consideration (such as earn out arrangements) shall be measured at fair value at the acquisition date even if it is not deemed to be probable of payment at the date of acquisition and shall be included in the determination of the acquisition costs. Subsequent changes in the fair value of a contingent consideration classified as liability shall generally be recognised prospectively in profit or loss. In a step acquisition, the differences between the book value and the fair value of the previously held equity interest in the acquiree is recognised at the acquisition date in profit or loss and not as other comprehensive income, as was done in the past. In accordance with the amended **IFRS 3**, an acquirer is required to measure the non-controlling interest in an acquiree in which the acquirer holds less than 100% of the equity interests either at fair value or – as set out in the previous **IFRS 3** – at their proportionate share of the acquiree’s identifiable net assets. Reclassification may be required at the acquisition date in order to recognise contractual arrangements of the acquiree existing at the acquisition date (e.g. financial instruments, derivative financial instruments and hedging relationships in accordance with **IAS 39**). **IFRS 3 (revised 2008)** establishes the accounting treatment of indemnities granted by the acquiree to the acquirer in connection with the acquiree’s liabilities, e.g. in connection with tax or litigation risks. Such indemnification will result in recognising the ‘indemnification asset’ in the amount of liabilities related to it. In the subsequent periods, this asset shall be measured in accordance with the corresponding liability. **IFRS 3 (revised 2008)** is to be applied prospectively (except in particular circumstances) to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. The amendments may increase volatility of profit or loss of GAZPROM Germania, including the periods after the date of acquisition.

• **IFRS 7** The IASB has issued Improving Disclosures about Financial Instruments (Amendments to IFRS 7). The amendments enhance disclosures about fair value measurements and liquidity risk. IFRS 7 is applicable to all entities reporting in accordance with IFRS for financial periods beginning on or after 1 January 2009 with earlier application permitted. Comparative financial information is not required for first year of application. No effect on the Consolidated Financial Statements of GAZPROM Germania can currently be identified.

• **IFRIC 9** On 12 March 2009, the IASB clarified the accounting treatment of embedded derivatives for entities that make use of the Reclassification Amendment to IAS 39 issued by the IASB in October 2008. The reclassification amendment allows entities to reclassify particular financial instruments out of the 'fair value through profit or loss' category in specific circumstances. These amendments to IFRIC 9 and IAS 39 clarify that on reclassification of a financial asset out of the 'fair value through profit or loss' category, all embedded derivatives in the reclassified instrument have to be assessed and, if necessary, separately accounted for in financial statements. The amendments apply retrospectively and are required to be applied for annual periods ending on or after 30 June 2009. No effect on the Consolidated Financial Statements of GAZPROM Germania can currently be identified.

• **IFRIC 15** (Agreements for the Construction of Real Estate) provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 (Construction Contracts) or IAS 18 (Revenue), and when revenue from the construction should be recognised. The Interpretation is effective for annual periods beginning on or after 1 January 2009 and is to be applied retrospectively. IFRIC 15 bears no relevance to the Consolidated Financial Statements of GAZPROM Germania.

• **IFRIC 16** (Hedges of a Net Investment in a Foreign Operation) establishes that only the risk arising from foreign exchange differences between the functional currency of the foreign operation and the parent's functional currency (however, not the presentation currency of the parent's consolidated financial statements) can be held to qualify for hedge accounting. It is of no significance, however, where, within the Group, the hedging instrument is held. The currency risk arising from the net investments in foreign operations may become subject to hedge accounting within the Group only once. The amount to be reclassified from reserves from foreign exchange differences through profit or loss on disposal of foreign operations is determined for the hedging instrument in accordance with IAS 39 (Financial Instruments: Recognition and Measurement) and for the hedged item in accordance with IAS 21 (The Effects of Changes in Foreign Exchange Rates). The Interpretation is effective for annual periods beginning on or after 1 October 2008 and is to be applied prospectively. No effect on the Consolidated Financial Statements of GAZPROM Germania can currently be identified.

• **IFRIC 17** (Distributions of Non-cash Assets to Owners) establishes when the non-cash dividends should be recognised and measured. Thus, a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity. An entity should measure the dividend payable at fair value of the assets to be distributed. Any adjustment of dividends payable at the next balance sheet date or at the date of settlement shall be recognised as an adjustment of the distributable amount, i.e. directly in equity. The Interpretation also requires an entity to recognise the difference between the dividend payable and the carrying amount of the asset to be distributed through profit or loss at the date of settlement. This difference (income) shall be recognised in profit or loss as a separate line item.

The publication of IFRIC 17 is related to the amendment to IFRS 5 (Non-current Assets Held For Sale and Discontinued Operations). Classification, measurement and recognition regulations contained in this Standard shall be applied in future to assets qualifying as held for distribution to owners. The Interpretation is effective for annual periods beginning on or after 1 July 2009 and is to be applied prospectively. No material effect on the Consolidated Financial Statements of GAZPROM Germania is expected.

- **IFRIC 18** (Transfers of Assets from Customers) provides guidance on the accounting in connection with agreements in which an entity receives from a customer an item of property, plant and equipment (or cash which must be used to acquire or construct the item of property, plant and equipment) that the entity must use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). The entity should assess whether the item of property, plant and equipment received from a customer meets the definition of an asset from the perspective of the recipient. If the customer continues to control the transferred item, the asset definition would not be met even if ownership of the asset is transferred to the recipient entity. When the item of property, plant and equipment transferred from a customer meets the definition of an asset from the perspective of the recipient, the recipient must recognise the asset in its financial statements as property, plant and equipment in accordance with IAS 16.7. The deemed cost of that asset is its fair value at the date of transfer. The transfer of assets implies an exchange of dissimilar goods or services and generates revenue which shall be recognised in accordance with IAS 18. If the entity's obligation to provide one or more separately identifiable services in exchange for the transferred asset has not yet been fulfilled, the corresponding liability must be recognised by the entity. IFRIC 18 must be applied prospectively to transfers of assets from customers received on or after 1 July 2009. GAZPROM Germania is currently examining whether the companies accounted for in the Consolidated Financial Statements using the equity method will be affected.

The Consolidated Financial Statements are drawn up in EUR. Unless otherwise provided, the amounts are shown in thousand euro (kEUR).

The financial year of all companies included in the Consolidated Financial Statements corresponds to the calendar year.

Balance sheet items are classified into current or non-current.

The income statement is drawn up according to expenditure format. The representation of period figures has been extended by income and expenses recognised directly in equity.

In the financial year, the rules on recognition of gains and losses from foreign currency exchange differences as well as the result from derivative financial instruments and changes in the fair value of inventories were amended in line with the customary procedures by adjusting the previous year's figures. If the items are attributed to the operating activities, they are recognised in the operating profit, or otherwise in the 'Other financial result'. Bank charges are recognised in the 'Other financial result'. The objective of such reclassification is to improve the comparability of the financial statement.

Scope of Consolidation

The scope of consolidation has developed as follows during the financial year:

Scope of consolidation	Domestic	Foreign	Total
Subsidiaries	3	12	15
Proportionately consolidated companies	2	5	7
Investments accounted for using the equity method	3	6	9
31/12/2007	8	23	31
Subsidiaries		5	5
Investments accounted for using the equity method	1	2	3
Additions 2008	1	7	8
Subsidiaries	3	17	20
Proportionately consolidated companies	2	5	7
Investments accounted for using the equity method	4	8	12
31/12/2008	9	30	39

CEA Centrex Energy & Gas AG and CEA Centrex Italia S.r.l.

On 13 March 2008 ZMB GmbH, Berlin (Germany), acquired 25% as well as an option for another 25.14% of the shares in CEA Centrex Energy & Gas AG, Vienna (Austria), and its wholly-owned CEA Centrex Italia S.r.l., Milan (Italy). The option was exercised on 24 October 2008. The total acquisition price was kEUR 186 and it was paid in cash. The goodwill of kEUR 653 for CEA Centrex Energy & Gas AG, Vienna (Austria), and of kEUR 102 for CEA Centrex Italia S.r.l., Milan (Italy), is recognised in the amount of difference to the adopted net assets totalling kEUR –569 (thereof cash in the amount of kEUR 20).

The principal activities of CEA Centrex Energy & Gas AG, Vienna (Austria), are: energy generation and gas production, energy and gas sales, development of sales and distribution structures, strategic development of the energy and gas supply business, trading and sales of crude oil and natural gas products, arrangement of sales and purchase agreements, natural gas transportation and conclusion of gas transportation agreements, natural gas distribution, supply, sales, purchase and storage, as well as acquisition, ownership and management of shares in companies. CEA Centrex Italia S.r.l., Milan (Italy) is mainly active in the development and utilisation of energy and gas production facilities, the strategic conclusion of electricity and natural gas delivery contracts, the creation of distribution and sales network,

Additions in the financial year are as follows:

	Date of initial consolidation	Notes
Subsidiaries		
CEA Centrex Energy & Gas AG, Vienna (Austria)	13/03/2008	Acquisition of shares
CEA Centrex Italia S.r.l., Milan (Italy)	13/03/2008	Indirect acquisition
TOV North West Gas, Kiev (Ukraine)	13/03/2008	Foundation
Gazprom Global LNG Ltd, London (UK)	22/08/2008	Foundation
ZMB Gaz Depo A. S., Istanbul (Turkey)	17/12/2008	Foundation
Investments accounted for using the equity method		
TruRead Ltd, Manchester (UK)	05/03/2008	Acquisition of shares
WINGAS Verwaltungs-GmbH, Kassel (Germany)	14/03/2008	Foundation
FRAGAZ SA, Paris (France)	19/06/2008	Acquisition of shares

trading of crude oil and natural gas products, purchasing and selling of electricity and natural gas delivery contracts, natural gas transportation and the conclusion of natural gas transportation agreements, as well as in natural gas distribution, supply, purchase, sales and storage.

On 5 June 2008, ZMB GmbH, Berlin (Germany), made an additional contribution of kEUR 250 to the capital reserves of CEA Energy & Gas AG, Vienna (Austria), which in turn has made a contribution of kEUR 1,000 to the capital reserves of CEA Centrex Italia S.r.l., Milan (Italy).

TOV North West Gas

The company with a share capital of kUAH 100 was registered on 13 March 2008 in the Commercial Register of Kiev. The company carries out a wide range of activities in the energy industry, including, in particular, trading of natural gas, electricity, crude oil and other energy sources. The company has so far not been active in any operative business activities.

Gazprom Global LNG Ltd

On 22 August 2008 the company with a share capital of kGBP 100 was registered in the official UK government register of UK companies (Companies House). This company shall particularly promote the LNG projects Sakhalin and Shtokman.

ZMB Gaz Depo A. S.

The company with a share capital of TRY 2 million was registered in the Commercial Register of Istanbul (Turkey) on 17 December 2008. The company's main business is the planning, development, construction and operation of underground gas storage facilities, as well as trading and transportation of natural gas to the Republic of Turkey.

TruRead Ltd

On 5 March 2008 Gazprom Marketing & Trading Ltd, London (United Kingdom) acquired a 30% share in TruRead Ltd, Manchester (United Kingdom). The total acquisition price was kGBP 156, which was paid in cash. At the moment of acquisition the company had negative net assets in the amount of kGBP -110 (thereof cash in the amount of kGBP 5). The difference of kGBP 266 accounts for the goodwill. There is an acquisition option for the remaining shares in the next four years. TruRead is active in the area of development and sales of intelligent remote meter reading systems for gas, electricity and water.

WINGAS Verwaltungs-GmbH

Starting from 14 March 2008, GAZPROM Germania GmbH, Berlin (Germany), has a 49.98% share in WINGAS Verwaltungs-GmbH, Kassel (Germany). It is the managing general partner of WINGAS GmbH & Co. KG, Kassel (Germany), former WINGAS GmbH.

FRAGAZ SA

On 19 June 2008, ZMB GmbH, Berlin (Germany), acquired a 50% interest in FRAGAZ SA, Paris (France), from Gaz de France SA, Paris (France). The acquisition price of kEUR 750 was paid in cash. The difference to the adopted net assets of kEUR 753 (thereof cash in the amount of kEUR 691) was recognised directly in the income statement in the result from investments accounted for using the equity method. The company is mainly active in trading natural gas, LNG, crude oil and similar products, in providing engineering

and other services including consultancy services related to the sales of the corresponding production equipment. The company is currently not active in any business activities. The company is included in the Consolidated Financial Statements and is accounted for using the equity method in exercising the option in accordance with IAS 31.38.

The effect of changes of the scope of consolidation, as well as of the scope of companies recognised at equity as at 31 December 2008 (share in the respective item of the Financial Statements) is as follows:

	kEUR	%
Current assets	85,461	1.3
Non-current assets	1,112	0.1
Total assets	86,573	1.0
Current liabilities	86,333	1.7
Non-current liabilities	767	0.3
Total liabilities	87,100	1.6
Revenue	501,259	3.4
Cost of materials	-495,072	3.5
Other operating expenses	-6,020	5.3
Operating profit	167	0.0
Interest income	4	0.0
Interest expense	-157	0.1
Result from investments accounted for using the equity method	-22	0.0
Income tax expense	-1,773	1.7
Profit for the year	-1,781	-0.3

Acquisition of the aforementioned companies at the beginning of the year would have had a rather insignificant impact on revenue and profit or loss of the Group.

WINGAS GmbH & Co. KG

On 30 June 2008, an additional amount of kEUR 99,960 was paid in the capital reserves of WINGAS GmbH, Kassel (Germany). On 24 July 2008 the change in the legal form of the company into WINGAS GmbH & Co. KG was registered in the Commercial Register with effect from 1 January 2008.

In the Consolidated Financial Statements all companies are included, in which GAZPROM Germania GmbH (GPG) has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The following subsidiaries belong hereto:

Company, registered office		Shares 31/12/2008 %	via	Shares 31/12/2007 %	via
1	ZMB GmbH, Berlin (Germany)	100.00	GPG	100.00	GPG
2	ZMB (Schweiz) AG, Zurich (Switzerland)	100.00	01	100.00	01
3	TOV North West Gas, Kiev (Ukraine)	100.00	02	–	–
4	ZGG – Zarubezhgazneftechim Trading GmbH, Vienna (Austria)	100.00	01	100.00	01
5	ZMB mobil GmbH, Möthlow (Germany)	100.00	01	100.00	01
6	ZMB Gaz Depo A.S., Istanbul (Turkey)	99.99	01	–	–
7	ZMB Gasspeicher Holding GmbH, Vienna (Austria)	66.67	01	66.67	01
8	Prime Energy S.p.A., Milan (Italy) ¹	100.00	01	100.00	01
9	CEA Centrex Energy & Gas AG, Vienna (Austria)	50.14	01	–	–
10	CEA Centrex Italia S.r.l., Milan (Italy)	50.14	09	–	–
11	Baltic LNG AG, Zurich (Switzerland)	80.00	01	80.00	01
12	Baltysky szhizhenny gaz LLC, Kingisepp (Russia)	80.00	11	80.00	11
13	Gazprom Marketing & Trading Ltd, London (United Kingdom)	100.00	01	100.00	01
14	Gazprom Marketing & Trading Retail Ltd, Manchester (United Kingdom)	100.00	13	100.00	13
15	Gazprom Marketing & Trading France SAS, Nanterre (France)	100.00	13	100.00	13
16	Gazprom Marketing & Trading USA Inc., Delaware (USA)	100.00	13	100.00	13
17	Gazprom Global LNG Ltd, London (UK)	100.00	13	–	–

¹ Reorganisation of Gazprom Marketing & Trading Italia S.r.l. on 4 June 2008 and renaming on 22 September 2008

Company, registered office		Shares 31/12/2008 %	via	Shares 31/12/2007 %	via
18	ZGG Cayman Ltd, George Town (Cayman Islands)	100.00	GPG	100.00	GPG
19	ZGG Cayman Holding Ltd, George Town (Cayman Islands)	100.00	18	100.00	18
20	Barents Sea Oil GmbH, Berlin (Germany)	100.00	GPG	100.00	GPG

The following **joint ventures** are proportionately included in the Consolidated Financial Statements:

21	WIEH Verwaltungs-GmbH, Kassel (Germany)	50.00	GPG	50.00	GPG
22	Wintershall Erdgas Handelshaus GmbH & Co. KG, Berlin (Germany)	50.00	GPG	50.00	GPG
23	Wintershall Erdgas Handelshaus Zug AG, Zug (Switzerland)	50.00	22	50.00	22
24	WIEE Romania SRL, Bucharest (Romania)	50.00	23	50.00	23
25	Gas Project Development Central Asia AG, Baar (Switzerland)	50.00	01	50.00	01
26	WINGAS Storage UK Ltd, London (United Kingdom)	33.33	07	33.33	07
27	WINGAS Storage Enterprises Ltd, London (United Kingdom)	33.33	26	33.33	26

With regard to three joint ventures, the distribution of profits deviates from the capital interest proportion.

WINGAS Storage UK Ltd, London (United Kingdom) and WINGAS Storage Enterprises Ltd, London (United Kingdom) are recognised as joint ventures, as 50% of the shares in each of both companies are held by ZMB Gasspeicher Holding GmbH, Vienna (Austria), which is majority-owned by ZMB GmbH, Berlin (Germany). In the Consolidated Income Statement, the non-controlling interest is presented separately.

Shares in companies, in which the Group exerts significant influence on financial and business policies, are accounted for using the equity method. These are the following **associated companies and joint ventures**:

Company, registered office		Shares 31/12/2008 %	via	Shares 31/12/2007 %	via
28	WINGAS GmbH, Kassel (Germany)	49.98	GPG	49.98	GPG
29	WINGAS Verwaltungs-GmbH, Kassel (Germany)	49.98	GPG	–	–
30	Wirom Gas S.A., Bucharest (Romania)	25.57	GPG/23	25.57	GPG/23
31	OOD WIEE Bulgaria, Sofia (Bulgaria)	50.00	23	25.50	23
32	OC Zarubezhneftegaz – GPD Tsentrlnaya Asia LLC, Nukus (Uzbekistan)	25.00	25	25.00	25
33	Bosphorus Gaz Corporation A.S., Istanbul (Turkey)	40.00	01	40.00	01
34	Centrex Beteiligungs GmbH, Vienna (Austria)	37.65	01	37.65	01
35	Etzel Kavernenbetriebs-Verwaltungsgesellschaft mbH, Hamburg (Germany)	33.33	01	33.33	01
36	Etzel Kavernenbetriebsgesellschaft mbH & Co. KG, Hamburg (Germany)	33.33	01	33.33	01
37	Vemex s. r. o., Prague (Czech Republic)	33.00	01	33.00	01
38	TruRead Ltd, Manchester (UK)	30.00	13	–	–
39	FRAGAZ SA, Paris (France)	50.00	01	–	–

As at 31 December 2008, an option executed in the meantime existed to acquire a further 11% of the shares in Bosphorus Gaz Corporation A.S., Istanbul (Turkey), which, however, will not grant majority vote.

The following companies are not included in the Consolidated Financial Statements as they are intended to be sold and are balanced in accordance with IFRS 5 in connection with IAS 39.46 (c) at cost:

Company, registered office		Shares 31/12/2008 %	via	Shares 31/12/2007 %	via
Subsidiaries					
40	Gazprom Kovykta Holdings B.V., Amsterdam (Netherlands)	100.00	GPG	100.00	GPG
41	Gazprom Kovykta Management B.V., Amsterdam (Netherlands)	100.00	40	–	–
42	Gazprom Kovykta Finance B.V., Amsterdam (Netherlands)	100.00	40	–	–
...	GP Latin America B.V., Amsterdam (Netherlands)	–	–	100.00	GPG
...	GAZPROM Libya B.V., Amsterdam (Netherlands)	–	–	100.00	GPG
Joint ventures					
43	SEP Company Kft., Budapest (Hungary)	50.00	01	50.00	01
44	South Stream AG, Zug (Switzerland)	50.00	GPG	–	–

GAZPROM Libya B.V. and GP Latin America B.V.

The companies were sold on 10 April 2008 to GAZPROM Group companies.

Gazprom Kovykta Holdings B.V., Gazprom Kovykta Management B.V. and Gazprom Kovykta Finance B.V.

Both wholly-owned subsidiaries of Gazprom Kovykta Holdings B.V. were registered in the Commercial Register of Amsterdam (Netherlands) on 30 January 2008. It is expected that the companies will be transferred to GAZPROM Group companies, Moscow (Russia), the following year.

SEP Company Kft.

On 22 January 2008 the capital increase of USD 1 million for the company was registered in the Commercial Register of Budapest. The company could not yet be sold in 2008.

South Stream AG

GAZPROM Germania GmbH, Berlin (Germany) has participated in the establishment of the South Stream AG, Zug (Switzerland) holding a 50% share in the company. The company was registered in the Commercial Register on 18 January 2008.

Consolidation Principles and Methods

The capital consolidation is made in accordance with the purchase method by offsetting the acquisition costs of the investment with the revalued shareholders' equity at the acquisition date of the subsidiary. Resulting differences in assets are recognised as goodwill within the item intangible assets and impairment testing is performed at least once a year. Any differences resulting in consolidation balances are recognised directly in the income statement.

Non-controlling interest is recognised in separate line items.

After 1 January 2008, the additions of the joint ventures are included by using the equity method. The Consolidated Financial Statements include the proportionate share of the assets, liabilities, income and expenses of the jointly controlled entities. If the distribution of profits deviates from the proportionate share, any additional share of income is recognised as a separate line item in the income statement or as other receivables.

Any increase in an existing majority interest is treated in accordance with the entity concept as transaction among equity holders and reported within equity.

Companies, over which a significant influence can be exercised (i.e. associates), as well as joint ventures added after 1 January 2008, are accounted for using the equity method in accordance with IAS 28 as from the acquisition date. Remaining differences are treated similarly to the capital consolidation. Goodwill is included in the carrying amount of the investment.

Receivables and payables or provisions between the consolidated companies are offset.

Intragroup revenue and other intragroup income as well as respective expenses are eliminated. Material intercompany results are eliminated. Deferred taxes are recognised for temporary differences, which arise from the elimination of profits and losses resulting from intragroup transactions.

Foreign Currency Translation

In the financial statements prepared in local currency by the consolidated companies, **foreign currency transactions** are translated using the exchange rate of the transaction month. Monetary items are translated by using the closing exchange rate. Exchange differences resulting from foreign currency transactions are recognised in the income statement in a separate line item.

Financial statements prepared by the consolidated companies in a foreign currency are converted into EUR based on the functional currency concept. With the exception of former four foreign companies, the functional currencies of all other foreign companies are their respective local currencies, because the consolidated companies manage their business activities independently in terms of finance, economy and organisation. As at 31 December 2008, further two companies changed their functional currency from national to USD as the most common transaction currency for gas sales. As at 31 December 2008, two further companies replaced their functional currency from local currency to USD as transaction currency commonly used in gas business.

Assets and liabilities are translated into EUR using the closing rate, income and expenses using an average exchange rate, equity is translated into EUR using historical foreign currency exchange rates. Resulting exchange differences are recognised directly in equity in the line item 'Revaluation reserves' and are not recognised in profit or loss before the disposal of the investment or the company.

The most important exchange rates used for currency translation into EUR are:

Currency (1 EUR =)	Exchange rate on 31/12/2008	Exchange rate on 31/12/2007	Average exchange rate 2008	Average exchange rate 2007
US Dollar (USD)	1.40944	1.47290	1.46325	1.37074
British Pound (GBP)	0.97352	0.73790	0.79385	0.68479
Swiss Franc (CHF)	1.48810	1.65870	1.58569	1.64318

Accounting policies

The financial statements of the consolidated companies included in the Group accounts have to be prepared using uniform accounting policies.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets include cash and cash equivalents, trade and other receivables as well as other loans extended and receivables and derivative financial assets held for trading.

Financial liabilities regularly create a contractual obligation to deliver cash or another financial asset to another entity. They comprise in particular trade liabilities, bank liabilities, liabilities from finance lease and derivative financial liabilities.

Financial instruments are basically **recognised** when a Group company becomes a party to the contractual provisions of the financial instrument. In case of regular way purchase or sale, the settlement date is relevant for the initial recognition and the disposal of the financial asset i.e. the day on which the asset is delivered by a Group company. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally

by regulation or convention in the marketplace concerned (with the exception of derivative financial instruments).

Financial assets and liabilities are usually **presented** without offsetting. Offsetting is only allowed, when (concerning the amount currently presented) there currently exists a legally enforceable right to set off the recognised amounts and it is intended either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are **derecognised**, if no or only partial control has been retained due to realisation, transfer, termination, abandonment or forfeiture of contractual using rights. Financial liabilities are removed from the balance sheet when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

The **measurement of primary financial assets** depends on the method used or classification made:

- **Loans extended and receivables** are measured at amortised cost using the effective interest method. Cash and cash equivalents, trade and other receivables usually have short maturities. Therefore, their carrying amounts mainly correspond to their fair values. Cash and cash equivalents include cash in hand, bank balances and short-term bank deposits with a maturity less than three months.

This category also includes loans due from other Group companies recognised in the line item 'Other investments and other long-term receivables'.

The fair value option is not used.

- Other investments are classified as **available-for-sale financial instruments** and are initially recognised with their fair value. Any changes in the fair value between the acquisition date and the balance sheet date are recognised directly in equity under the line item 'Reserve for changes in fair values'.

Investments in unlisted companies continue to be measured at cost, because the variability in the range of reasonable fair value estimates is significant for that instrument and the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value. No active market exists. Purchases and sales are not planned.

On each balance sheet date the group assesses whether an **impairment** of a financial asset or a group of assets has occurred. If there is an objective evidence that an impairment loss may be in place (e.g. the debtor experiences substantial financial difficulties, a high likelihood of insolvency proceedings against the debtor, an active market for the financial asset is lost, a substantial change of technological, economical, legal or the market environment of the issuer or a significant or prolonged decline in the fair value of the financial asset below its cost or amortised cost), the loss figure consists of the difference between the carrying amount of the asset and the present value of the expected future cash flows discounted at the initial effective interest rate of the financial asset. Impairment losses from listed shareholdings are recognised to the extent to which the share price ruling at the balance sheet date has fallen below either the share price prevailing at the acquisition date or the lower carrying amount prevailing at the previous balance sheet date. An impairment loss as well as a possible reversal of the impairment arising from the increase in fair value, is recognised in the income statement. The reversal of the impairment loss on available-for-sale financial instruments is recognised directly in equity. In case of the later increase in the fair value less disposal costs the impairment recorded before is reversed. The reversal of impairment loss is limited to impairments recognised for the corresponding assets.

Primary financial liabilities are recognised at amortised cost using the effective interest method. The fair value option is not used.

Derivative financial instruments are measured with their fair values according to the provisions of IAS 39. In particular, they include gas trading agreements, which do not serve the receipt or delivery of non-financial items in accordance

with the expected purchase, sale or usage demand of the Group, i.e. no gross settlement is intended for the Group's own needs.

It is compulsory that derivative financial instruments **without hedge effectiveness** are classified as being **held for trading** and recognised in the line item 'Financial assets or financial liabilities'. Profit or loss resulting from the subsequent measurement is recognised in the income statement.

With a **Cash flow hedge**, the future cash flows from the assets and liabilities in the balance sheet, firm commitments (in case of foreign currency risks) or from highly probable forecasted transactions, are hedged. Changes in fair value are recognised directly in equity, in the respective reserve account until the hedged item will affect profit or loss. If, in the future, a highly probable forecasted transaction will result in a non-financial asset, then the accumulated gains and losses of the derivative financial instrument directly recognised in equity will be accounted as reduction or increase of acquisition cost.

A **Fair value hedge** is used to hedge against the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment. Any changes in the fair value of both the derivative designated as a hedging instrument and the hedged item are recognised directly in the income statement.

At inception of the hedging relationship, both the hedging relationship and risk management objectives and strategies for undertaking the hedge have to be formally determined and documented. This documentation includes the identification of the hedging instrument, the hedged item or transaction and the nature of the risk being hedged, as well as a description, how the company will assess the hedge effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. The hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated. A hedge is regarded as highly effective, when actual results of the hedge are within a range of 80 to 125%.

The **fair value** of derivative financial instruments is estimated on the basis of actual market inputs and the Discounted Cash-Flow Method, when no market price exists (e.g. stock market price).

Inventories

Inventories shall be measured at the lower of cost and net realisable value. Costs are measured using the average cost method or the so-called first-in-first-out (FiFo) method.

Natural gas trade transactions of a subsidiary are mainly covered by IAS 39.5 (Commodity Derivatives). Therefore the natural gas stocks in the storage facilities are measured at fair value (net realisable value) net of selling expenses.

Non-current assets held for sale (or disposal groups)

A non-current asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets held for sale (or disposal groups) recognised by the Group are exclusively financial instruments and are measured in accordance with IAS 39 also in the future.

Non-current assets

Pursuant to IAS 38 purchased **intangible assets** – excluding goodwill – are measured at cost less regular straight-line depreciation. Goodwill is capitalised in line with IFRS 3. If there is an indication that an impairment loss may have occurred and if the carrying amounts exceed the recoverable amounts, intangible assets are impaired. Appropriate reversals are made (except for goodwill) if the reasons for impairment no longer exist.

The estimated useful lives of the individual groups of intangible assets are as follows:

	Useful life in years
Goodwill	indefinite
Software and other intangible assets	2–10
Contractual rights	9

Expenses for exploration and evaluation of mineral resources are accounted for using the successful efforts method, i.e. capitalization of cost is confined to successful projects. For instance, only expenses for drilling concessions associated with the discovery of gas deposits are capitalised. Costs of seismic and geological exploration are generally recognised as expenses.

Property, plant and equipment are recognised at cost pursuant to IAS 16 less straight-line depreciation and in case of impairment, impairment losses. If there is any indication that an impairment loss recognised in prior periods no longer exists, then impairment losses should be reversed. If, in exceptional cases, a depreciation method other than the straight-line method will reflect better the course of use of property, plant and equipment, an appropriate depreciation method will be chosen. Borrowing costs are capitalised in connection with the acquisition or production of qualifying assets put into operation after 1 January 2008.

If parts of an item of property, plant and equipment consist of different useful lives and the cost is significant in relation to the total cost of the item, then the item shall be depreciated separately.

Obligations for the dismantling of assets are capitalised as costs pursuant to IAS 16.16 (c) with the obligating amount estimated in accordance with IAS 37.

Costs incurred in maintenance and repair of items of property, plant and equipment are expensed. Replacement costs, like costs arising through a less frequently recurring replacement or replacement at regular are recognised when the recognition criteria are met.

Leased property, plant and equipment, for which consolidated group companies take substantially all risks and rewards incidental to ownership of an asset (finance lease) are recognised at an amount equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments in accordance with IAS 17. The property will be depreciated on a straight-line basis over the estimated useful life of the asset or the shorter lease contract term. The present value of the minimum lease payments is recognised as liability. The determination whether an arrangement contains a lease is based on the economic substance of the agreement. Therefore, it has to be analyzed if the requirements to fulfil the contract are depending on the use of a particular asset and whether the right to use this asset will be transferred.

The estimated useful lives of the individual groups of intangible assets are as follows:

	Useful life in years
Land	indefinite
Buildings	12–40
Technical equipment and machinery	2–20
Fixtures, fittings and other equipment	2–20

Investment property is measured at amortised cost. Real estate property is depreciated over the estimated useful life of 25 to 50 years using the straight line method. If there is an indication that an impairment loss may have occurred and if the carrying amounts exceed the recoverable amounts, impairment losses have to be recognised. Appropriate reversals are made if the reasons for an impairment loss no longer exist.

Investments accounted for using the equity method are accounted for using the equity method according to the regulations of IAS 28 or IAS 31.38. The investment in an associate is initially recognised at cost at the acquisition date and the carrying amount is increased or decreased to recognise the Group's share of equity changes of the associate or joint venture after the date of acquisition

Impairment of non-current assets

Non-current assets are impaired, when their carrying amount exceeds its recoverable amount, what is the higher of its fair value less costs to sell and its value in use.

Goodwill is tested for impairment at least once a year, while other non-current assets with no indefinite useful life are tested, when there is an indication for impairment.

The majority of non-current assets is valued at the level of cash-generating units. These are defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets and groups of assets.

The value in use is the present value of the future cash flows expected to be obtained from the asset or the cash-generating unit. The future cash flows are calculated on the basis of a plan approved by the company management for the next three financial years. In case of indefinite useful life, the three planned years are amended with one more regular year for perpetual annuity. In case of a definite useful life of non-current assets, the future cash flows are determined for the remaining useful life.

Deferred taxes

The recognition and measurement of deferred taxes is carried out in accordance with IAS 12 using the liability concept on the basis of the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised for tax loss carry forward, that are expected to be useable in the future. The carrying amount of a deferred tax asset should be reviewed at each balance sheet date. Deferred taxes which relate to items in equity are also recognised directly in equity.

Deferred taxes recognised in the financial statements of the single companies due to different tax bases between IFRS balance sheet and tax balance sheet are measured with the individual income tax rates of each single company.

The income tax rate of GAZPROM Germania amounted to 30.2% and included 15% corporation tax, 5.5% solidarity surcharge on corporation tax and 14.4% trade tax.

For assessment of deferred taxes the income tax rate for the period is applicable in which the asset is realised or the liability is settled. Cuts in individual company specific tax rates applicable to deferred taxes as of 31 December 2008 affect companies in United Kingdom and Russia.

Other provisions

Provisions for pensions from defined benefit plans are recognised in using the projected unit credit method in accordance with IAS 19. The present value of the defined benefit obligation (DBO) is reduced by return on plan assets. In case of a surplus in a defined benefit plan, a non-current asset is recognised in the line item 'Other financial assets'. Actuarial gains and losses are recognised directly in the income statement. Additions to the pension provisions including interest cost are allocated to the operating income.

Provisions for uncertain obligations to a third party pursuant to IAS 37 are recognised, when there is a present obligation due to a third party as a result of a past event, an outflow of resources embodying economic benefits is expected and a reliable estimate can be made of the amount of the obligation. They are accounted for at estimated amount of performance and not set off against any recourse claims. Non-current provisions are measured with the present value, provided that the effect is material. The interest cost arising from the addition of accrued interest is recognised in financing costs. Changes in provisions by adjustment of the interest rate are carried to the operating income, if no related asset needs to be adjusted.

Contingent liabilities

Contingent liabilities are not accounted for in the balance sheet, except if they are transferred within a business combination. They are stated in the notes, if there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation exists from the past events but is not recognised because it is not probable that an outflow or resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation can not be measured with sufficient reliability.

Revenue

Revenue is recognised after delivery of services or supply of goods, i.e. when the significant risks and rewards of the ownership of the goods have been transferred.

All realised power trading deals, whether aimed at physical delivery or at trading for own account are carried gross to the sales and cost of materials.

Discretionary decision in applying accounting policies

When applying accounting policies, discretionary decisions have been made in particular for the following fact patterns:

- The fair values for derivative financial instruments, not traded on an active market, are determined using evaluation models. The selection of evaluation models is subject to a management decision.
- Significant discretionary decisions apply to the assessment of certain contracts (commodity contracts), whether they shall be considered as derivatives and hence be valued at fair value or fall into the subject of the so-called 'own-use-exemption' and hence shall be dealt with according to the accounting principles applicable to pending transactions.
- Financial assets are classified under the categories 'Financial instruments held for trading', 'Loans extended and receivables', 'Financial instruments available-for-sale', and 'Financial investments held to maturity'.
- In assessing provisions for pensions and similar obligations there are different possibilities to recognise actuarial gains and losses.

Assumptions and estimates

With the preparation of the Consolidated Financial Statements, assumptions and estimates were made having effects on the values and presentation of recognised financial assets and liabilities, income and expenses as well as contingent liabilities.

Assumptions and estimates serve in particular as the basis for the determination of the fair values of **intangible assets** (exploration licenses and trade agreements) acquired in business combinations. In this area assumptions on production quantities and price development have been used for periods of time of up to 25 years.

Moreover, in assessing the recoverability of **goodwill**, future-related assumptions and estimates are made.

In assessing the **provisions**, assumptions and estimates apply to their probability of occurrence and the discount rate. Moreover the price-increase rate of services to be used in future shall be estimated for assessment of the provisions to be formed.

Changes in accounting policies

Adopting the accounting principles applied by GAZPROM OJSC, the option set out in IAS 23 of capitalising borrowing costs that are attributable to the acquisition or production of a qualifying asset for all assets capitalised on or after 1 January 2008 compared to the previous approach of immediately recognising as an expense, has been changed. The effects in the financial year amount to kEUR 1,484 and are included in the result from investments accounted for using the equity method or in the income tax expense. Borrowing costs in the amount of kEUR 2,139 were capitalised in 2008. In the financial year, borrowing costs amounted on average to 4.5%.

Notes to the Consolidated Income Statement

(1) Revenue

	Notes	2008 kEUR	2007 kEUR
Natural gas		12,444,491	6,919,021
Power		1,726,551	357,938
Liquefied natural gas (LNG)		348,032	107,268
Emission allowances		19,812	167
Other revenue		135,435	86,013
Total revenue		14,674,321	7,470,407

(2) Other operating income

Gains from foreign currency exchange differences in the operating activities ¹		471,652	91,420
Reversal of allowances for doubtful accounts	20	11,687	5,953
Income from rents and leases		3,374	1,485
Income from the disposal of property, plant and equipment and investment property		27	431
Sundry		13,818	37,729
Total other operating income		500,558	137,018

¹ In the previous year, the amount was recognised as financial result. Comparative figures of the previous year were adjusted accordingly.

(3) Cost of materials

	2008 kEUR	2007 kEUR
Natural gas ¹	11,654,933	6,483,634
Power	1,670,860	355,431
Liquefied natural gas (LNG)	331,659	105,554
Gas transportation	202,401	143,913
Emission allowances	21,260	81
Other cost of materials ²	170,985	82,982
Total cost of materials	14,052,098	7,171,595

(4) Employee benefit costs

Salaries	48,745	32,705
Social security and other benefits	5,031	3,596
Retirement benefit costs	3,621	1,962
Total employee benefits expense	57,397	38,263

¹ In the previous year, further losses in the amount of kEUR 41,052 arising from changes in the fair value of inventories were recognised within this item. Comparative figures of the previous year were adjusted accordingly.

² In the previous year, other cost of materials in the amount of kEUR 419 was recognised as other operating expenses. Comparative figures of the previous year were adjusted accordingly.

Retirement benefit costs include:

	2008 kEUR	2007 kEUR
Current service costs	161	253
Actuarial gains and losses	-240	-362
Compounding of provisions	194	130
Income from plan assets	-141	-41
Defined benefit plans	-26	-20
Contributions to state pension plans	2,427	1,982
Contributions to the corporate pension scheme	1,220	
Defined contribution plans	3,647	1,982
Total retirement benefit costs	3,621	1,962

54

Average annual number of employees

	2008	2007
Employees	409	247
Apprentices and trainees	6	4
Total	415	251
Thereof in joint ventures	25	26

(5) Depreciation and amortisation expense, impairment of intangible and tangible assets

The expenses contain only the depreciation of intangible assets (with the exception of goodwill) and amortisation of property, plant and equipment.

(6) Other operating expense

	Notes	2008 kEUR	2007 kEUR
Losses from foreign currency exchange differences in the operating activities ¹		421,812	157,470
Promotion, marketing, representation		23,323	28,294
Legal and consultation fees		11,356	7,700
Discounting of receivables		4,001	
Sales commission on natural gas contracts		2,450	839
Rents and leases	37	2,013	1,660
Losses from disposal of intangible assets, property, plant and equipment and investment property		290	873
Depreciation of investment property	25	7	24
Depreciation of non-collectable and allowance for doubtful accounts	20		11,334
Sundry ²		58,895	23,281
Total other operating expense		524,147	231,475

¹ In the previous year, the amount was recognised as financial result. Comparative figures of the previous year were adjusted accordingly.

² In the previous year, other cost of materials in the amount of kEUR 419 was recognised as other operating expenses. Bank charges in the amount of kEUR 1,630 accounted for within this item were no longer recognised in the previous year. Comparative figures of the previous year were adjusted accordingly.

(7) Result from changes in fair value in the operating activities

	2008 kEUR	2007 kEUR
Change in fair value of inventories ¹	-13,296	41,052
Gains from derivative financial instruments in the operating activities ²	6,167,443	475,697
Losses from derivative financial instruments in the operating activities ²	-6,167,705	-462,876
Changes in fair value of emission allowances	8	
Total result from changes in fair value in the operating activities	-13,550	53,873

(8) Interest income

Interest income from:		
– financial instruments	42,430	39,758
– finance lease	2,683	2,548
– tax receivables	4	4
Total interest income	45,117	42,310

(9) Interest expense

Interest expense for:		
– financial instruments	80,706	115,285
– liabilities from non-current assets held for sale	23,702	
– Interest compounding	80	
Total interest expense	104,488	115,285

¹ In the previous year, the amount was recognised as cost of materials. Comparative figures of the previous year were adjusted accordingly.

² In the previous year, the amount was recognised as financial result. Comparative figures of the previous year were adjusted accordingly.

(10) Result from investments accounted for using the equity method

	2008 kEUR	2007 kEUR
Share of profits	201,157	123,764
Share of losses	-2,974	-794
Result from investments accounted for using the equity method	198,183	122,970

(11) Other result from investments

Additional income from joint ventures due to profit or loss transfer agreement	44,699	29,464
Income from other investments	65,239	37,417
Impairment losses from other investments	-28,344	
Impairment losses from investments held for sale	21	-1,003,247
Total other result from investments	-921,653	66,881

(12) Other financial income

Gains from foreign currency exchange differences in the financing activities ¹	28,045	197,540
Total other financial income	28,045	197,540

¹ In the previous year, gains from foreign currency exchange differences included the amount of kEUR 91,420 (which is now recognised as gains from foreign currency exchange in the operating activities). Comparative figures of the previous year were adjusted accordingly.

(13) Other financial expense

	2008 kEUR	2007 kEUR
Losses from foreign currency exchange differences in the financing activities ¹ from:		
– financial instruments	85,891	2,155
– liabilities from non-current assets held for sale	38,680	
Bank charges ²	915	1,630
Total other financial expense	125,486	3,785

(14) Results from changes in fair value in the financing activities

Income from a fair value hedge in the amount of kEUR 1,013,100 used to secure the result from the planned sale of the shares in NOVATEK OJSC has been recognised (see Note 21). Further changes in the fair value refer to interest rate swaps.

(15) Income tax expense

Income tax expense for the period	155,123	47,625
Income tax expense for prior periods	183	2,325
Current taxes	155,306	49,950
Deferred taxes 28	–51,023	49,670
Total income tax expense	104,283	99,620

¹ In the previous year, losses from foreign currency exchange differences included the amount of kEUR 157,470 (which is now recognised as losses from currency exchange in the operating activities). Comparative figures of the previous year were adjusted accordingly.

² In the previous year, the amount was recognised as other operating expenses. Comparative figures of the previous year were adjusted accordingly.

The differences between calculated income tax and the effective tax expense may be reconciled as follows:

	2008 kEUR	2008 %	2007 kEUR	2007 %
Result before taxes	641,387		520,023	
Calculated income tax	193,571	30.2	202,289	38.9
Income tax for prior periods	183	0.0	2,325	0.5
Difference compared to individual tax rates	-55,898	-8.7	-47,297	-9.1
Effects of additional shares of income	-8,940	-1.4	-6,619	-1.3
Effects of investments accounted for using the equity method	-25,316	-3.9	-45,763	-8.8
Non-deductible expenses	297,819	46.4	13,062	2.5
Tax-free income	-294,504	-45.9	-8,587	-1.6
Adjustment of deferred taxes due to changes in tax rates	-1,483	-0.2	-14,874	-2.9
Tax credits on losses carried forward	-3,558	-0.6	-686	-0.1
Other tax effects	2,460	0.4	5,770	1.1
Effective income taxes	104,334	16.3	99,620	19.2

Income tax expense for prior periods results both from tax refunds and tax payments for previous years as well as from the reversal of accrued liabilities for income taxes.

(16) Result from discontinued operations

	2008 kEUR	2007 kEUR
Income from operating activities	143	
Income tax	-43	
Operating result from discontinued operations	100	0
Gains from disposal of assets held for sale	25	
Income tax	-8	
Result from disposal of discontinued operations	17	0
Result from discontinued operations	117	0

Notes to the Consolidated Statement of Other Comprehensive Income

(17) Other comprehensive income

	Change in fair value of available-for- sale financial assets	Change in fair value of non-current assets held for sale	Cash flow hedge	Share in the com- prehensive income of companies recognised using the equity method	Exchange differences from financial statements of foreign Group companies	Total income and expenses recognised directly in equity
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
01/01/2007	959,647		3,222		-341	962,528
Additions	253,784		-67		-23,240	230,477
Disposals carried to the cost of materials			-4,566			-4,566
Deferred taxes	438		1,389			1,827
Total changes in 2007	254,222		-3,244	0	-23,240	227,738
31/12/2007	1,213,869	0	-22	0	-23,581	1,190,266
Additions		-46,100	-14,680	-62,619	-26,973	-150,372
Disposals	-1,232,467					-1,232,467
Deferred taxes	18,598		4,110	9,592		32,300
Total changes in 2008	-1,213,869	-46,100	-10,570	-53,027	-26,973	-1,350,539
31/12/2008	0	-46,100	-10,592	-53,027	-50,554	-160,273

(18) Comprehensive income attributable to non-controlling interest

	2008 kEUR	2007 kEUR
Share in profit	280	3,974
Share of loss	-4,080	-1,364
Total non-controlling interest in the profit or loss for the year	-3,800	2,610
Share of other comprehensive income (foreign currency exchange differences)	-3,591	-260
Total comprehensive income attributable to non-controlling interest	-7,391	2,350

Non-controlling interest in comprehensive income refers to: ZMB Gasspeicher Holding GmbH, Vienna (Austria), CEA Centrex Energy & Gas AG, Vienna (Austria), CEA Centrex Italia S.r.l., Milan (Italy), Baltic LNG AG, Zurich (Switzerland), Baltysky szhizhenny gaz LLC, Kingisepp (Russia), WINGAS Storage UK Ltd, London (United Kingdom), and WINGAS Storage Enterprises Ltd, London (United Kingdom).

Notes to the Consolidated Balance Sheet

(19) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash in banks.

As in the previous year, cash and cash equivalents were not subject to any restrictions on availability as at 31 December 2008. Short-term and time deposits occur for different time periods of up to three months. These each bear interest at prevailing market interest rates for short-term deposits.

(20) Trade and other receivables

	Notes	31/12/2008 kEUR	31/12/2007 kEUR
Primary financial instruments			
Trade receivables		2,383,260	1,103,684
Other receivables		135,909	203,506
Total primary financial instruments	38	2,519,169	1,307,190
Derivative financial instruments			
Commodity derivatives		1,088,938	452,640
Foreign currency derivatives		117,678	10,525
Derivatives from emission allowances		2,457	
Options		2,908	20,166
Total derivative financial instruments	39	1,211,981	483,331
Other assets			
Advance payments		459,618	366,330
Other tax receivables		28,590	21,207
Trading stock of emission allowances		525	
Deferred expenses		721	288
Total other assets		489,454	387,825
Total trade and other receivables		4,220,604	2,178,346

The book value of the primary financial instruments is determined upon deduction of allowances made for doubtful accounts:

	31/12/2008 kEUR	31/12/2007 kEUR
Primary financial instruments – gross	2,519,169	1,318,415
Allowances for doubtful accounts		-11,225
Total primary financial instruments – book value	2,519,169	1,307,190

Allowances made for doubtful accounts have developed as follows:

	Allowances for doubtful accounts kEUR
01/01/2007	5,505
Exchange rate differences	339
Additions	11,334
Reversals	-5,953
31/12/2007	11,225
Exchange rate differences	462
Reversals	-11,687
31/12/2008	0

Credit risk exposure associated with the primary financial instruments can be assessed on the basis of ageing as follows:

	31/12/2008 kEUR	31/12/2007 kEUR
Receivables neither impaired nor overdue on the balance sheet date	1,810,204	1,231,802
Receivables not impaired:		
– up to 90 days overdue	696,264	29,943
– up to 180 days overdue	4,247	367
– up to 360 days overdue	8,454	415
Receivables impaired		55,888
Total primary financial instruments – gross	2,519,169	1,318,415

No security has been furnished by business partners. Thus, the maximum credit risk associated with the primary financial instruments corresponds to the book value. There is no indication that debtors will fail to fulfil their payment obligations with regard to receivables neither impaired nor overdue on the balance sheet date. This also applies to receivables which are not impaired and are up to 90 days overdue.

(21) Non-current assets held for sale

	31/12/2008 kEUR	31/12/2007 kEUR
Shares and investments	812,201	9,355
Sales agreement with GAZPROM OJSC for shares in NOVATEK OJSC	967,000	
Total non-current assets held for sale	1,779,201	9,355

This applies to shares and investments expected to be sold to GAZPROM Group companies, Moscow (Russia), in the following year:

Company, registered office	Shares 31/12/2008 %	via	Shares 31/12/2007 %	via
Gazprom Kovykta Holdings B.V., Amsterdam (Netherlands)	100.00	GPG	100.00	GPG
Gazprom Kovykta Management B.V., Amsterdam (Netherlands)	100.00	40		
Gazprom Kovykta Finance B.V., Amsterdam (Netherlands)	100.00	40		
SEP Company Kft., Budapest (Hungary)	50.00	01	50.00	01
South Stream AG, Zug (Switzerland)	50.00	GPG		
SCHWARZMEER UND OSTSEE Versicherungs- Aktiengesellschaft SOVAG, Hamburg (Germany)	5.13	01	5.13	01
NOVATEK OJSC, Tarko-Sale (Russia)	19.39	19		
GP Latin America B.V., Amsterdam (Netherlands)			100.00	GPG
GAZPROM Libya B.V., Amsterdam (Netherlands)			100.00	GPG

NOVATEK OJSC

In October 2008, we have reached an agreement with GAZPROM OJSC, Moscow (Russia), to sell the shares to a company incorporated in the GAZPROM Group at a price which covers the acquisition costs incurred by GAZPROM Germania taking into consideration any income and expenses in connection with the engagement. Furthermore, an agreement has been reached to simultaneously sell the shareholding in NOVATEK OJSC, Tarko-Sale (Russia), and repay the loan granted by GAZPROM OJSC, Moscow (Russia), to GAZPROM Germania to finance the acquisition of shares in NOVATEK OJSC, Tarko-Sale (Russia). A hedging relationship (fair value hedge) was designated between the shareholding in NOVATEK OJSC, Tarko-Sale (Russia),

and the agreement concluded with GAZPROM OJSC, Moscow (Russia). Shareholding in NOVATEK OJSC, Tarko-Sale (Russia), including both, the hedging instrument and the loan granted to finance the acquisition of shares in NOVATEK OJSC, Tarko-Sale (Russia) (including any accrued interest), form a disposal group. For further information on liabilities arising therefrom, please refer to Note 32.

Impairment losses due to a fall in NOVATEK OJSC share price amounted to kEUR 1,031,591 (thereof kEUR 1,003,247 after the designation of a hedging relationship) at the balance sheet date and are recognised in the line item 'Other result from investments' (Note 11). Income from changes in the fair value hedge in the amount of kEUR 1,013,000 is recognised in the result from changes in fair value (Note 14).

(22) Inventories

	31/12/2008 kEUR	31/12/2007 kEUR
Gas in pipelines and gas storage facilities measured:		
– at the lower acquisition cost and net realisable value	29,815	28,262
– at fair value	48,374	63,241
Raw material, consumables and goods for resale	69	205
Total inventories	78,258	91,708

(23) Movements in intangible assets

	Goodwill kEUR	Contractual rights kEUR	Exploration rights kEUR	Other intan- gible assets kEUR	Total intan- gible assets kEUR
01/01/2007	372	5,239		5,202	10,813
Exchange rate differences	-108		-254	-385	-747
Additions	1,473		3,682	378	5,533
Disposals				-9	-9
Total acquisition costs 31/12/2007	1,737	5,239	3,428	5,186	15,590
01/01/2007		1,746		999	2,745
Exchange rate differences			-12	-110	-122
Additions		582	194	1,091	1,867
Disposals				-8	-8
Total accumulated amortisation 31/12/2007	0	2,328	182	1,972	4,482
Net book value 31/12/2007	1,737	2,911	3,246	3,214	11,108

	Goodwill kEUR	Contractual rights kEUR	Exploration rights kEUR	Other intan- gible assets kEUR	Total intan- gible assets kEUR
01/01/2008	1,737	5,239	3,428	5,186	15,590
Exchange rate differences	-330		-790	-1,533	-2,653
Additions	755		11	3,476	4,242
Disposals			-155	-170	-325
Total acquisition costs 31/12/2008	2,162	5,239	2,494	6,959	16,854
01/01/2008		2,328	182	1,972	4,482
Exchange rate differences			-65	-604	-669
Additions		582	163	1,892	2,637
Disposals			-24	-31	-55
Total accumulated amortisation 31/12/2008	0	2,910	256	3,229	6,395
Net book value 31/12/2008	2,162	2,329	2,238	3,730	10,459

There are no restrictions on availability.

Goodwill in the amount of kEUR 1,035 (previous year kEUR 1,365) refers to Gazprom Marketing & Trading Retail Ltd, Manchester (United Kingdom), in the amount of kEUR 653 (previous year kEUR 0) to CEA Centrex Energy & Gas AG, Vienna (Austria), in the amount of kEUR 102 (previous year kEUR 0) to CEA Centrex Italia S.r.l., Milan (Italy) and in the amount of kEUR 372 to a business combination before 31 March 2004. In the meantime, the company concerned has merged with ZMB GmbH, Berlin (Germany).

There are no further asset, liability, income and expense items with regard to the exploration rights except for assets and expenses arising from depreciation specified hereunder. In the additions, kEUR 1,913 (previous year kEUR 3,521) non cash relevant transfers from property, plant and equipment are included.

(24) Movements in property, plant and equipment

	Property kEUR	Plant and machinery kEUR	Fixtures, fittings and other equipment kEUR	Construction in progress kEUR	Total property, plant and equipment kEUR
01/01/2007	26,218	135,244	28,846	31,281	221,589
Changes in scope of consolidation			4	791	795
Exchange rate differences	-1,322	-11,259	-277	-1,252	-14,110
Additions	7,305	3,132	2,756	26,338	39,531
Transfers		92		-92	0
Disposals	-30	-3,521	-487	-41,383	-45,421
Total acquisition costs 31/12/2007	32,171	123,688	30,842	15,683	202,384
01/01/2007	2,503	66,376	6,031		74,910
Changes in scope of consolidation			1		1
Exchange rate differences	-65	-5,933	-200		-6,198
Additions	776	4,135	3,729		8,640
Disposals	-26		-458		-484
Total accumulated depreciation 31/12/2007	3,188	64,578	9,103	0	76,869
Net book value 31/12/2007	28,983	59,110	21,739	15,683	125,515

	Property kEUR	Plant and machinery kEUR	Fixtures, fittings and other equipment kEUR	Construction in progress kEUR	Total property, plant and equipment kEUR
01/01/2008	32,171	123,688	30,842	15,683	202,384
Exchange rate differences	-3,431	-28,711	-558	-3,159	-35,859
Additions	311	5,583	2,533	31,706	40,133
Transfers		2,017		-2,017	0
Disposals	-456	-2,458	-305	-33	-3,252
Total acquisition costs 31/12/2008	28,595	100,119	32,512	42,180	203,406
01/01/2008	3,188	64,578	9,103		76,869
Exchange rate differences	-209	-15,516	-410		-16,135
Additions	842	3,198	3,532		7,572
Disposals	-29	-643	-226		-898
Total accumulated depreciation 31/12/2008	3,792	51,617	11,999	0	67,408
Net book value 31/12/2008	24,803	48,502	20,513	42,180	135,998

In the previous year, disposals from construction in progress in the amount of kEUR 40,592 refer to the plants used by third parties, which are recognised as finance leases under receivables. Disposals in the amount of kEUR 1,913 (previous year kEUR 3,521) refer to reclassifications into intangible assets. Both reclassifications are non-cash items.

There are no restrictions on availability.

(25) Movements in investment property

	Investment property kEUR
01/01/2007	1,828
Disposals	-1,167
Total acquisition costs 31/12/2007	661
01/01/2007	363
Additions	24
Disposals	-112
Total accumulated depreciation 31/12/2007	275
Net book value 31/12/2007	386
01/01/2008	661
Disposals	-369
Total acquisition costs 31/12/2008	292
01/01/2008	275
Additions	7
Disposals	-243
Total accumulated depreciation 31/12/2008	39
Net book value 31/12/2008	253

Book values of the investment property are regularly compared with market data. Book values correspond to the recoverable amounts at the balance sheet date. There are no restrictions on availability.

Income from the investment property amounts to kEUR 13 (previous year kEUR 33). Operating expenses including repairs and maintenance directly attributable to the investment properties amounted to kEUR 15 (previous year kEUR 28).

(26) Investments accounted for using the equity method

	Notes	Investments accounted for using the equity method kEUR
01/01/2007		181,448
Exchange rate differences		-137
Acquisition of additional shares		546,436
Cash contribution		56,460
Loan conversion into shareholder's equity		99,960
Share of profits GAZPROM Germania	10	122,970
Received dividends		-102,483
Net book value 31/12/2007		904,654
01/01/2008		904,654
Deferred tax from the change of legal form of an investment accounted for using the equity method	28	65,986
Exchange rate differences		-1,294
Acquisitions of additional shares		1,930
Cash contribution		99,960
Share of profits GAZPROM Germania	10	198,183
Share of other comprehensive income	17	-62,619
Dividends received		-106,542
Transfer of provisions (assumption of losses)	29	2,323
Net book value 31/12/2008		1,102,581

No published price quotations are available for investments accounted for using the equity method.

In the previous year, shares in losses not included in the recognition using the equity method amounted to kEUR 62.

The aggregate amounts of assets, liabilities, revenues and profit or loss referring to investments accounted for using the equity method are as follows:

	2008 kEUR	2007 kEUR
Assets	3,936,711	3,169,472
Liabilities	3,142,713	2,590,875
Revenue	9,337,633	6,159,013
Profit for the year	452,478	242,672
Contingent liabilities (shares attributable to GAZPROM Germania)		
– from guarantees	20,787	12,945
– from the obligation to acquire shares		18,781
Total share of contingent liabilities	20,787	31,726

Contingent liabilities primarily refer to the following financial year.

(27) Other financial assets

	Other investments	Loans	Other long-term receivables	Total primary financial instruments measured in accordance with IAS 39	
	kEUR	kEUR	kEUR	kEUR	
01/01/2007	2,852,390	389,161	140	3,241,691	
Changes in scope of consolidation				0	
Exchange rate differences	-519	-1,522	56	-1,985	
Additions	53,690	24,213	44,627	122,530	
Disposals		-107,800	-1,748	-109,548	
Changes in fair value	253,784			253,784	
Total acquisition costs 31/12/2007	3,159,345	304,052	43,075	3,506,472	
01/01/2007		931		931	
Exchange rate differences		-64		-64	
Disposals		-367		-367	
Total accumulated depreciation 31/12/2007	0	500	0	500	
Net book value 31/12/2007	3,159,345	303,552	43,075	3,505,972	
01/01/2008	3,159,345	304,052	43,075	3,506,472	
Changes in scope of consolidation					
Exchange rate differences	7,704	861	11	8,576	
Additions	24,077	9,314	459	33,850	
Changes in fair value	-1,232,467			-1,232,467	
Disposals	-1,841,837	-13,941	-3,441	-1,859,219	
Total acquisition costs 31/12/2008	116,822	300,286	40,104	457,212	
01/01/2008		500		500	
Total accumulated depreciation 31/12/2008	0	500	0	500	
Net book value 31/12/2008	116,822	299,786	40,104	456,712	

Long-term derivative financial instruments kEUR	Non-consolidated participations in Group companies kEUR	Other receivables and accrued items kEUR	Total other financial assets kEUR
21,894	2,394	243	3,266,222
	-2,394		-2,394
			-1,985
		1,199	123,729
			-109,548
112,588			366,372
134,482	0	1,442	3,642,396
			931
			-64
			-367
0	0	0	500
134,482	0	1,442	3,641,896
134,482	0	1,442	3,642,396
			0
		-78	8,498
		234	34,084
54,319			-1,178,148
		-1,262	-1,860,481
188,801	0	336	646,349
			500
0	0	0	500
188,801	0	336	645,849

Other investments include:

Company, registered office		Shares 31/12/2008 %	via	Shares 31/12/2007 %	via
45	Gissarneftgaz LLC, Shurtan (Uzbekistan)	20.00	25	15.00	25
46	Kokdumalak-Gaz LLC, Mubarek (Uzbekistan)	12.50	25	12.50	25
47	VNG Verbundnetz Gas AG, Leipzig (Germany)	5.26	GPG	5.26	GPG
48	erdgas mobil GmbH & Co. KG, Essen (Germany)	4.50	GPG	4.50	GPG
49	erdgas mobil Verwaltungs-GmbH, Essen (Germany)	4.50	GPG	4.50	GPG
50	Bunde-Etzel-Pipeline Verwaltungsgesellschaft mbH, Hamburg (Germany)	16.00	01	16.00	01
51	Bunde-Etzel-Pipelinegesellschaft mbH & Co. KG, Hamburg (Germany)	16.00	01	16.00	01
52	Urdaneta GAZPROM-1 S. A., Caracas (Venezuela)	1.00	01	1.00	01
53	Urdaneta GAZPROM-2 S. A., Caracas (Venezuela)	1.00	01	1.00	01
54	GAS-Trading S. A., Warsaw (Poland)	1.135	22	1.135	22
...	NOVATEK OJSC, Tarko-Sale (Russia)	-	-	19.39	19

The following investments are held for sale and shall therefore be accounted for in accordance with IFRS 5:

55	SCHWARZMEER UND OSTSEE Versicherungs- Aktiengesellschaft SOVAG, Hamburg (Germany)	5.13	01	5.13	01
56	NOVATEK OJSC, Tarko-Sale (Russia)	19.39	19	-	-

Gissarneftgaz LLC

Gas Project Development Central Asia AG, Baar (Switzerland), increased its shareholding in Gissarneftgaz LLC, Shurtan (Uzbekistan), to 40% (the GAZPROM Germania Group owns 20% of the shares). The increase was registered in the Commercial Register on 26 June 2008. Due to the shareholding structure and other legal framework, our influence on the business policy of the company does not exceed that of an ordinary financial participation.

The purchase price of the shares acquired in the previous year is also subject to revaluation clause in connection with exploration of raw material deposits which exceed the level known as at 31 March 2007. Upon submission of the latest expert report, the corresponding liability was provisionally determined and the corresponding addition to the acquisition costs was accounted for.

For more information on the disposal of shares in NOVATEK OJSC, Tarko-Sale (Russia), please refer to Note 21.

Fair value for the remaining shares and investments cannot be reliably determined as at the balance sheet dates.

Loans were granted to:

	31/12/2008 kEUR	31/12/2007 kEUR
Proportionately consolidated companies	14,371	15,013
Investments accounted for using the equity method	285,155	282,834
Other companies	260	5,705
Total loans	299,786	303,552

In the financial year, disposals in the amount of kEUR 12,592 comprise reclassification into current assets due to the change to the agreed payment terms, as well as reclassification into equity in the amount of kEUR 99,960 in the previous year. Both reclassifications are non-cash items.

Credit risk exposure associated with the primary financial instruments can be assessed on the basis of ageing as follows:

	31/12/2008 kEUR	31/12/2007 kEUR
Financial instruments neither impaired nor overdue on the balance sheet date	456,712	3,505,956
Impaired long-term financial instruments	500	500
Non-impaired financial instruments:		
– more than 360 days overdue		16
Total long-term primary financial instruments – gross	457,212	3,506,472

In the previous year, additions to [other long-term receivables](#) refer to the gas storage facility in Haidach (Austria) in the amount of kEUR 40,592, which were reclassified from construction in progress. The storage facility was rented out on a long-term basis and therefore classified as finance lease. The reclassification is a non-cash item.

Long-term derivative financial instruments include:

	Notes	31/12/2008 kEUR	31/12/2007 kEUR
Commodity derivatives		145,101	123,624
Foreign currency derivatives		30,859	10,858
Derivatives from emission allowances		12,800	
Investment options		41	
Total long-term derivative financial instruments	39	188,801	134,482

(28) Deferred tax assets and liabilities

Deferred tax assets and liabilities are allocated as follows:

	Notes	31/12/2008 kEUR	31/12/2007 kEUR
Current assets		17,180	161
Non-current assets		13,842	9,520
Current liabilities		35,381	13,547
Non-current liabilities		3,504	2,095
Tax losses carried forward		12,930	3,522
Offsetting of deferred tax assets and liabilities		-52,758	-28,796
Total deferred tax assets		30,079	49
Current assets		-32,024	-15,999
Non-current assets		-92,295	-61,417
Current liabilities		-34,279	11
Non-current liabilities		-1,175	-49,907
Offsetting of deferred tax assets and liabilities		52,758	28,796
Total deferred tax liabilities		-107,015	-98,516
Deferred taxes from changes in scope of consolidation, exchange rate differences, etc.		-4,194	-4,359
Deferred taxes from the change of legal form of an investment accounted for using the equity method	26	65,986	
Deferred taxes through profit or loss	15, 16	-51,023	49,670
Deferred taxes in reserves for changes in fair value	17	-32,300	-1,827
Total changes in deferred taxes		-21,531	43,484

If losses carried forward are likely to cause a reduction in future tax expenses based both on the results achieved by the Group companies in the past and the estimated future results, deferred tax on losses carried forward are capitalised.

Tax losses carried forward include:

	31/12/2008 kEUR	31/12/2007 kEUR
Domestic tax losses carried forward	42,710	21,349
Foreign tax losses carried forward	132	1,365
Total tax losses carried forward	42,842	22,714

Deferred taxes from the change of legal form refer to the deferred corporate tax recognised by WINGAS GmbH, Kassel (Germany), in the past, which now, after the reorganisation of the company into a limited partnership, have to be recognised by the shareholder.

Tax losses carried forward, not expected to be utilised, totalling kEUR 13,635 (previous year kEUR 4,291). They mature in the amount of kEUR 2,623 in the following year and in the exceeding amount largely after the following year 5.

The aggregate amount of temporary differences associated with investments in subsidiaries and joint ventures, for which deferred tax liabilities have not been recognised (IAS 12.81 [f] in connection with IAS 12.39) is kEUR 8,767 (previous year kEUR 15,794).

(29) Other long-term provisions

	Pensions	Exploration costs	Dismantling obligations	Obligation to compensate losses from investments accounted for using the equity method	Others	Total other provisions
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
01/01/2007	1,723	3,779	1,170		113	6,785
Exchange rate differences	-2		-101		1	-102
Compounding of provisions	130					130
Utilisation	40				-22	18
Reversals	-616		-11		-53	-680
Additions	253	2,298	1,584		8	4,143
Total book value 31/12/2007	1,528	6,077	2,642	0	47	10,294
Thereof short-term	132					132
01/01/2008	1,528	6,077	2,642		47	10,294
Exchange rate differences	12		-300	-139	-1	-428
Compounding of provisions	194		79		1	274
Utilisation	-84				-2	-86
Reversals	-660		-726		-1	-1,387
Additions	161	1,070	183	2,323	3	3,740
Total book value 31/12/2008	1,151	7,147	1,878	2,184	47	12,407
Thereof short-term	98					98

Cash outflows that are expected to arise from liabilities are as follows:

	31/12/2008 kEUR	31/12/2007 kEUR
In following year 1	98	132
In following years 2–5	393	641
Thereafter	12,231	10,325
Total expected cash outflows from provisions	12,722	11,098

Pension benefit obligations are based on individual agreements. Pension obligations are solely based on defined benefit plans of the parent company, a subsidiary and two joint ventures.

According to the retirement benefit plans, 18 (previous year 14) participants are entitled to pension benefits as at the balance sheet date based on their average salaries in the last 12 months before reaching retirement age or according to the regulations of the BASF pension plans. Additionally, 2 (previous year 2) former employees have become entitled to pension benefits. 4 (previous year 4) retired employees receive benefits as at the balance sheet date under these retirement benefit plans. No further post-employment benefits are provided for.

Measurement in accordance with IAS 19 is based on the following assumptions:

	31/12/2008 %	31/12/2007 %
Discount rate	3.25 to 6.25	3.25 to 5.25
Projected increase in wages and salaries	2.50 to 5.00	2.50 to 5.00
Projected pension increase	0.50 to 2.00	0.50 to 2.00

Provisions for pensions have developed as follows:

	Defined benefit obligation (DBO) kEUR	Plan assets kEUR	Net of DBO and plan assets kEUR
01/01/2007	4,281	-2,558	1,723
Exchange rate differences	4	-6	-2
Interest compounding	130		130
Current service cost	276	-23	253
Participants' contribution	20	-20	0
Employer's contributions	80	-293	-213
Benefits paid	-117	157	40
Income from plan assets		-41	-41
Actuarial gains and losses	-66	-296	-362
31/12/2007	4,608	-3,080	1,528
01/01/2008	4,608	-3,080	1,528
Exchange rate differences	60	-48	12
Interest compounding	194		194
Current service cost	161		161
Participants' contributions	36	-36	0
Employer's contributions	78	-357	-279
Benefits paid	13	-97	-84
Income from plan assets		-141	-141
Actuarial gains and losses	-567	327	-240
31/12/2008	4,583	-3,432	1,151

Asset funding of pension plans is structured as follows:

	Defined benefit obligation (DBO) kEUR	Plan assets kEUR
Unfunded pension plans	251	
Partially funded pension plans	2,617	-1,137
Fully funded pension plans	1,413	-1,421
31/12/2006	4,281	-2,558
Unfunded pension plans	196	
Partially funded pension plans	3,083	-1,636
Fully funded pension plans	1,329	-1,444
31/12/2007	4,608	-3,080
Unfunded pension plans	156	
Partially funded pension plans	3,489	-2,206
Fully funded pension plans	938	-1,226
31/12/2008	4,583	-3,432

Plan assets consist of cash payments into a benefit fund.

Provisions associated with [the exploration costs](#) have been established in connection with the obligations arising from the Haidach (Austria) storage facility project.

[Dismantling obligations](#) concern the Saltfleetby (United Kingdom) project and Haidach (Austria) storage facility project.

[Other provisions](#) mainly include obligations to employees.

(30) Financing liabilities

	31/12/2008	Thereof short-term	31/12/2007	Thereof short-term
	kEUR	kEUR	kEUR	kEUR
Loans	489,866	450,041	1,722,527	308,921
Other liabilities to banks	10	10	35	35
Payables from financial lease	16	6		
Total financing liabilities	489,892	450,057	1,722,562	308,956

Cash outflows that are expected to arise from financing liabilities are as follows:

	31/12/2008	31/12/2007
	kEUR	kEUR
Up to three months	414,193	281,356
Over 3 months until the end of the following year 1	38,615	34,143
Following year 2	29,530	22,074
Following year 3	9,111	25,564
Following year 4	8,302	9,332
Following year 5		8,506
Thereafter		1,859,041
Total expected cash outflows from financing liabilities	499,751	2,240,016

The loans have been granted:

	Currency	Maturity	Nominal value kEUR	Interest rate 31/12/2008
By dominant companies				
GAZPROM OJSC, Moscow	USD	2013	1,658,584	
By banks				
Russische Kommerzial Bank AG, Zurich	USD	2009	3,559	6.00% floating
Russische Kommerzial Bank AG, Zurich	USD	2009	10,677	7.32% floating
Commerzbank AG, Berlin, and Dresdner Bank AG, Berlin	EUR	2012	35,000	4.59% floating
Bank consortium	USD	2010	500,000	1.56% floating
Gazprombank OJSC, Moscow	USD	2010	71,855	12.50% fixed
Bank consortium	USD	2008	277,777	
By joint ventures				
Wintershall Erdgas Handelshaus GmbH & Co. KG, Berlin	EUR	2009	28,284	interest free
By companies accounted for using the equity method				
WINGAS GmbH & Co. KG, Kassel	EUR	2009	1,358	6.12% floating
By third parties				
Centrex Energy & Gas AG, Baar	USD	2010	7,118	5.63% floating
Centrex Finance AG, Baar	USD	2010	7,118	5.63% floating
United Energy International, Vaduz	USD	2009	8,898	6.25% floating
Centrex Europe Energy & Gas AG, Vienna	EUR	2009	5,267	6.62% floating
Centrex Europe Energy & Gas AG, Vienna	EUR	2009	1,167	6.02% floating
Centrex Europe Energy & Gas AG, Vienna	EUR	2009	3,270	6.00% fixed
Centrex Europe Energy & Gas AG, Vienna	EUR	2010	750	6.00% fixed
BASF Coordination Center, Antwerp	USD	2009	35,475	3.45% floating
Centrex Energy & Gas AG, Baar	USD	2008	1,424	
Total loans				

Interest rate 31/12/2007	31/12/2008 kEUR	31/12/2007 kEUR
6.20% fixed		1,354,986
7.60% floating	3,559	3,390
	10,677	
5.66% floating	33,250	35,000
	298,195	
	71,855	
5.10% floating		277,777
	417,536	316,167
interest free	28,284	26,330
	985	
6.45% floating	7,118	6,780
6.45% floating	7,118	6,780
6.45% floating	8,898	6,780
6.46% floating	4,285	3,280
	1,167	
	3,270	
	740	
	10,465	
6.45% floating		1,424
	43,061	25,044
	489,866	1,722,527

In the financial year, the loan granted by GAZPROM OJSC, Moscow (Russia), was reclassified to liabilities from non-current assets held for sale as part of the disposal group (c. f. Notes 21 and 32).

Bank loans in the amount of kEUR 33,250 (previous year kEUR 35,000) are secured by [pledging shares](#) in the proportionately consolidated company WINGAS Storage UK Ltd, London (United Kingdom).

GAZPROM Germania has access to the following [credit facilities](#):

	31/12/2008 kEUR	31/12/2007 kEUR
Total loans from banks and third parties	460,597	341,211
Loan facilities not utilised		
– from banks	266,804	294,003
– from third parties	26,375	5,148
Total financing facilities	753,776	640,362

(31) Trade and other payables

	Notes	31/12/2008	Thereof short-term	31/12/2007	Thereof short-term
		kEUR	kEUR	kEUR	kEUR
Primary financial instruments					
Trade payables		1,461,516	1,461,516	741,049	741,049
Outstanding invoices		185,996	185,996	260,450	260,450
Other liabilities		4,343	4,318	29,373	8,179
Total primary financial instruments	38	1,651,855	1,651,830	1,030,872	1,009,678
Derivative financial instruments					
Commodity derivatives		1,352,030	1,227,059	551,385	414,879
Foreign currency derivatives		8,188	4,041	6,522	6,364
Interest derivatives		1,059	390		
Derivatives from emission allowances		13,073	2,447		
Total derivative financial instruments	39	1,374,350	1,233,937	557,907	421,243
Other liabilities					
Prepayments received		5,909	5,909	1,167	1,167
Payables from other taxes		119,168	119,168	99,102	99,102
Deferred income		609	515	220	139
Total other liabilities		125,686	125,592	100,489	100,408
Total trade and other payables		3,151,891	3,011,359	1,689,268	1,531,329

No security has been furnished.

Maturities of the primary and derivative financial instruments are as follows:

	31/12/2008 kEUR	31/12/2007 kEUR
Up to three months	2,089,921	1,208,560
Over 3 months until the end of the following year 1	795,846	222,361
Following years 2 to 5	139,768	136,664
Thereafter	670	21,194
Total financial instruments	3,026,205	1,588,779

A net basis was used in order to determine the maturities for derivative financial instruments.

(32) Liabilities from non-current assets held for sale

	31/12/2008 kEUR	31/12/2007 kEUR
Loan granted by GAZPROM OJSC	1,433,265	
Loan interest	111,272	
Total liabilities from non-current assets held for sale	1,544,537	0

For further information, please refer to Note 21.

The loan granted by GAZPROM OJSC, Moscow (Russia), is secured by [pledge](#) of shares in NOVATEK OJSC, Tarko-Sale (Russia). The following conditions of the loan shall apply:

	Currency	Nominal value kEUR	Interest rate 31/12/2008 kEUR	31/12/2008 kEUR
By dominant companies				
GAZPROM OJSC, Moscow	USD	1,658,584	6.2000 fixed	1,433,265

(33) Subscribed capital

Subscribed capital consists of one share at a nominal value of kEUR 225,595 and is paid in completely.

(34) Non-controlling interest

Group company	Partners	Shares %	31/12/2008 kEUR	Shares %	31/12/2007 kEUR
ZMB Gasspeicher Holding GmbH, Vienna	Centrex Europe Energy & Gas AG, Vienna	33.33	12,848	33.33	13,160
WINGAS Storage UK Ltd, London	Centrex Europe Energy & Gas AG, Vienna (indirect)	16.67	-6,144	16.67	-2,409
CEA Centrex Energy & Gas AG, Vienna	Centrex Europe Energy & Gas AG, Vienna	49.86	-83		
CEA Centrex Italia S.r.l., Milan	Centrex Europe Energy & Gas AG, Vienna (indirect)	49.86	-2,668		
Baltic LNG AG, Zurich	Sovcomflot OJSC, St. Petersburg	20.00	916	20.00	825
Baltysky szhizhenny gaz LLC, Kingisepp	Sovcomflot OJSC, St. Petersburg (indirect)	20.00	-737	20.00	-465
Total non-controlling interest			4,132		11,111

GAZPROM Germania assumes that the negative stock shares will be compensated by non-controlling interest.

Notes to the Consolidated Cash Flow Statement

(35) Adjustments

Adjustments associated with the indirect calculation of cash flows from operating activities are as follows:

	Notes	2008 KEUR	2007 KEUR
Depreciation	5, 6	10,216	10,507
Gains/losses from asset disposals	2, 6	263	442
Gains/losses from allowances for receivables	2, 6	-11,794	5,381
Non-cash-relevant result from investments accounted for using the equity method	26	-198,183	-122,970
Results from unrealised foreign exchange differences		84,712	-161,922
Other non-cash relevant income and expenses		-34,242	18,405
Interest expense	9	104,488	115,285
Interest income	8	-45,117	-42,310
Changes in fair values		53,855	-23,622
Changes in long-term provisions and liabilities		240	3,690
Subtotal		-35,562	-197,114
Changes in short-term assets			
– Inventories		-5,873	-72,638
– Receivables and other short-term assets		-1,508,334	221,864
Changes in short-term liabilities		938,599	-126,638
Total changes in working capital		-575,608	22,588
Total adjustments		-611,170	-174,526

(36) Cash flow from financing activities

Figures related to the acceptance and repayment of financing liabilities cannot be compared insofar as the option of reporting cash receipts and payments on a net basis for

items in which the turnover is quick was used in the previous year in accordance with IAS 7.22b. Recognition on a gross basis is used in the reporting period.

Other Notes

(37) Leases

Finance lease as lessor refers almost entirely to the gas storage facility project in Haidach (Austria), which has been leased on a long-term basis to the shareholder Gazprom export LLC, Moscow (Russia).

	Minimum lease payment 31/12/2008 kEUR	Interest portion 31/12/2008 kEUR	Present value 31/12/2008 kEUR	Minimum lease payment 31/12/2007 kEUR	Interest portion 31/12/2007 kEUR	Present value 31/12/2007 kEUR
Due in following year 1	4,188	-2,818	1,370	7,198	-5,659	1,539
Due in following years 2 to 5	14,988	-9,546	5,442	21,444	-17,684	3,760
Due thereafter	51,209	-17,021	34,188	77,111	-38,138	38,973
Total	70,385	-29,385	41,000	105,753	-61,481	44,272

Receivables for the financial year totalling kEUR 320 (previous year kEUR 345) are still outstanding.

Operating leases. Future lease payments under non-cancellable operating lease contracts are expected to be distributed over the following terms to maturity:

	31/12/2008 kEUR	31/12/2007 kEUR
Following year 1	1,265	446
Following years 2 to 5	2,198	46
Thereafter	979	
Total payments from operating lease	4,442	492

Obligations from rental and lease agreements solely concern those rental agreements where the Group companies are not the economic owner of the leased assets.

Leasing contracts were primarily concluded for vehicles and office equipment and are largely terminated on short notice.

(38) Financial instruments

	Book value 31/12/08	Measure- ment according to IAS 17	Measurement according to IAS 39			Fair value 31/12/08
			Amortised cost	Fair value directly in equity	Fair value recognised through profit or loss	
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Derivatives unhedged	1,316,379				1,316,379	1,316,379
Total financial instruments held for trading	1,316,379	0	0	0	1,316,379	1,316,379
Cash and cash equivalents	303,746		303,746			303,746
Trade and other receivables	2,519,169	1,370	2,517,799			2,519,169
Loans and other financial assets	339,890	39,630	300,260			339,890
Total loans and receivables extended	3,162,805	41,000	3,121,805	0	0	3,162,805
Other financial assets	116,822		116,822			116,822
Total financial instruments available-for-sale	116,822	0	116,822	0	0	116,822
Derivatives hedged	84,403			84,403		84,403
Total other financial assets	84,403	0	0	84,403	0	84,403
Financial liabilities	-489,892	-16	-489,876			-489,892
Trade and other payables	-1,651,855		-1,651,855			-1,651,855
Total liabilities measured at amortised cost	-2,141,747	-16	-2,141,731	0	0	-2,141,747
Derivatives unhedged	-1,241,345				-1,241,345	-1,241,345
Total financial liabilities held for trading	-1,241,345	0	0	0	-1,241,345	-1,241,345
Derivatives hedged	-133,005			-133,005		-133,005
Total other financial liabilities	-133,005	0	0	-133,005	0	-133,005
Financial instruments net	1,164,312	40,984	1,096,896	-48,602	75,034	1,164,312

	Book value 31/12/07	Measure- ment according to IAS 17	Measurement according to IAS 39			Fair value 31/12/07
			Amortised cost	Fair value directly in equity	Fair value recognised through profit or loss	
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Derivatives unhedged	617,813				617,813	617,813
Total financial instruments held for trading	617,813	0	0	0	617,813	617,813
Cash and cash equivalents	272,398		272,398			272,398
Trade and other receivables	1,307,190	1,539	1,305,651			1,307,190
Loans and other financial assets	346,627	42,732	303,895			346,627
Total loans and receivables extended	1,926,215	44,271	1,881,944	0	0	1,926,215
Other financial assets	3,159,345		85,042	3,074,303		3,159,345
Total financial instruments available-for-sale	3,159,345	0	85,042	3,074,303	0	3,159,345
Financial liabilities	-1,722,562		-1,722,562			-1,798,109
Trade and other liabilities	-1,030,872		-1,030,872			-1,030,872
Total liabilities measured at amortised cost	-2,753,434	0	-2,753,434	0	0	-2,828,981
Derivatives unhedged	-557,876				-557,876	-557,876
Total financial liabilities held for trading	-557,876	0	0	0	-557,876	-557,876
Derivatives hedged	-31			-31		-31
Total other financial liabilities	-31	0	0	-31	0	-31
Financial instruments net	2,392,032	44,271	-786,448	3,074,272	59,937	2,316,485

Net gains/losses from financial instruments are as follows:

	Interest income	Interest expense	From other expenses	From subsequent valuation			Net result 2008
				At fair value	Foreign currency exchange differences	Valuation allowance	
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Loans extended and receivables	42,430		-6,299		81,547	11,687	129,365
Available-for-sale financial instruments				-1,260,810			-1,260,810
Financial assets and liabilities held for trading				1,011,779			1,011,779
Liabilities accounted for at amortised cost		-80,706	-86,509		-80,025		-247,240
Total net gain/loss	42,430	-80,706	-92,808	-249,031	1,522	11,687	-366,906
Thereof recognised							
– through profit or loss	42,430	-80,706	-92,808	983,436	1,522	11,687	865,561
– directly in equity				-1,232,467			-1,232,467

	Interest income	Interest expense	From other expenses	From subsequent valuation			Net result 2007
				At fair value	Foreign currency exchange differences	Valuation allowance	
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Loans extended and receivables	39,758	-5,137	-1,630		6,541	-5,381	34,151
Available-for-sale financial instruments				253,784			253,784
Financial assets and liabilities held for trading				12,820			12,820
Liabilities accounted for at amortised cost		-110,148	-16,361		123,032		-3,477
Total net gain/loss	39,758	-115,285	-17,991	266,604	129,573	-5,381	297,278
Thereof recognised							
– through profit or loss	39,758	-115,285	-17,991	12,820	129,573	-5,381	43,494
– directly in equity				253,784			253,784

Bank charges and hedge fees are recognised in other expenses. Other expenses and the net result 2007 of liabilities accounted for at amortised cost were adjusted by hedge fees in the amount of kEUR -16,361.

(39) Risk management and derivative financial instruments

GAZPROM Germania's risk management ensures prompt identification, evaluation, control and monitoring of the risks present within the Group.

a) Market risk

Price risk inherent in trading of natural gas is largely due to the business activities of Gazprom Marketing & Trading Ltd, London (United Kingdom). The company trades natural gas on organised markets and thereby enters into unhedged positions within the scope of a defined limit system. Commodity derivatives in the form of future contracts and options are used to hedge exposures to price risks. Unhedged positions are added daily to an overall risk position and monitored using a Value-at-Risk approach. In addition, there is a Risk Oversight Committee (ROC) at Gazprom Marketing & Trading Ltd, London (United Kingdom), which meets monthly under the chair of one of the Managing Directors of ZMB GmbH, Berlin (Germany). ROC's task is to permanently oversee the risks resulting from trading activities based on regular reporting routines.

Quoted market values have been used to determine the **fair value** of energy trading agreements, commodity futures, and commodity swaps at the balance sheet date. Market valuation models are used to evaluate power and gas futures as well as commodity swaps. In the case of index-linked instruments, the purchase or sales price required for the fair value measurement was calculated on the basis of an agreed price formula.

The fair value of commodity options was determined using a Company developed option pricing model, the input parameters of which consisted of the implied volatility, the forward prices of traded commodities, the strike price and contract volume.

As at 31 December 2008, GAZPROM Germania held shares in NOVATEK OJSC, Tarko-Sale (Russia), acquired with a fixed interest loan granted by GAZPROM OJSC, Moscow (Russia). A hedging relationship (fair value hedge) was designated because of the agreement reached in October 2008 to sell NOVATEK shares to a company incorporated in the GAZPROM Group and to repay the loan used to finance the acquisition of shares. For further information, please refer to Note (21).

Owing to the fair value hedge, changes in value as a result of NOVATEK OJSC share price movements after the balance sheet date do not have any effect on either the result or equity.

Foreign exchange risk. Exposures to exchange rate fluctuations arise both from purchase and selling obligations denominated in different currencies and from raising debt capital in currencies other than the Group's functional currency. This risk is primarily managed on the basis of cash inflows and outflows denominated in the respective foreign currencies at particular points in time. To the extent possible, the remaining risks are being hedged using adequate hedging transactions.

The main transaction currencies used within the Group other than the functional currency of the respective Group company are the US Dollar (USD), the British Pound (GBP) and the Swiss Franc (CHF). In addition, there is an insignificant amount of positions in the Russian Rouble (RUB) and the Uzbek Sum (UZB). In respect of financial instruments held or issued at the balance sheet date (excluding NOVATEK shares), an ad hoc change in the exchange rates of the main currencies against the Euro would have the following effect on the Consolidated Financial Statements of GAZPROM Germania. Compared to the previous year period, the loan granted by GAZPROM OJSC, Moscow (Russia), has been reclassified as a liability from non-current assets held for sale in accordance with IFRS 5 and was therefore not included in the effects on profit or loss.

Effects on profit or loss from fluctuations of foreign exchange differences	Quotation change by	31/12/2008 kEUR	31/12/2007 kEUR
EUR/GBP	+10 %	5,619	-892
	-10 %	-6,868	1,091
EUR/USD	+20 %	-12,836	264,678
	-10 %	8,557	-176,452
EUR/CHF	+20 %	-195	-51
	-10 %	130	63

Estimated changes in exchange rates reflect the risk of exchange rate fluctuations within a period of one year. To this end, an average annual change in exchange rates in the 2002–2008 periods has either been increased or reduced by one standard deviation of the annual percent change in exchange rates. Correlations between exchange rates have not been considered.

Interest rate risk arises from a potential change in market interest rates. This risk may result in changes in the fair value in respect of fixed rate financial instruments, whereas in the case of floating rate financial instruments, it may lead to fluctuations in interest payments. Due to fixed interest rates, the loan granted by GAZPROM OJSC, Moscow (Russia), is not exposed to any cash flow risk arising from an increase in market interest rates. At present, exposure of

the GAZPROM Germania Group financial positions to interest rate risk arises from the derivative financial instruments held by Gazprom Marketing & Trading Ltd, London (United Kingdom), and is rather insignificant.

Floating rate loans granted to or by the Group companies are based on EURIBOR and LIBOR. In respect of financial instruments held or issued as at the balance sheet date, a decrease in the benchmark interest rate by 150 basis points would have the following effect on the Consolidated Financial Statements of GAZPROM Germania. Insignificant interest rate risk arising from forward transactions is not considered.

Effects on profit or loss from fluctuations in interest rates	Quotation change by	31/12/2008 kEUR	31/12/2007 kEUR
Increase in interest rates	+150 basis points	-1,136	-201
Decrease in interest rates	-150 basis points	1,136	201

As at 31 December 2008, a fixed-for-floating swap existed. Interest rate risk also arises from foreign currency derivatives. A change in the reference rate by 150 basis points would have the following impact on equity:

Effect on equity from fluctuations in interest rates	Quotation change by	31/12/2008 kEUR	31/12/2007 kEUR
Increase in interest rates	+150 basis points	-2,140	
Decrease in interest rates	-150 basis points	2,140	

A change in interest rates by 150 basis points is a conservative estimate of the potential interest rate movements based on the historic development of 6 months EURIBOR over the 2002–2008 periods. The development of LIBOR is based on the same deviation range. Sensitivity of interest rate positions has been determined taking into consideration the number of interest rate adjustments per annum.

Derivative financial instruments are used in risk management to hedge exposures to commodity prices and foreign exchange rates arising from the operating activities. Gazprom Marketing & Trading Ltd, London (United Kingdom), calculates daily Value at Risk, allocating it to the existing limits.

The VaR calculation is an estimation of the maximum possible loss the portfolio can incur during the specified holding period at the specified confidence level under normal market conditions. The specific model is based on a variance-covariance approach with a linear approximation. The EWMA approach (Exponentially weighted moving average) of

time series data places a higher weight to the more recent market observations than to the historical approach. Price movements are simulated in accordance with a multivariate normal distribution.

The linear approximation is prudent for Gazprom Marketing & Trading Ltd, London (United Kingdom), as its stated risk policy prevents the holding of short uncovered option positions. Hence the linear approximation can only lead towards an overestimation of risk.

As at 31 December 2008, the VaR related to price risk and foreign exchange risk given a holding period of one day and a confidence level of 97.5%, was EUR 1.8 million (previous year EUR 3.1 million). No separate sensitivity analysis has been carried out compared to the previous year. VaR corresponds to the amounts contained in the Separate Financial Statements prepared by Gazprom Marketing & Trading Ltd, London (United Kingdom).

The following derivative financial instruments are shown at the balance sheet dates:

	Volumes		Nominal value 31/12/		Fair value 31/12/			
	2008	2007	2008 kEUR	2007 kEUR	2008 kEUR	Thereof short-term kEUR	2007 kEUR	Thereof short-term kEUR
Commodity forwards gas (Tm ³)	35,354,271	28,893,367	8,584,178	5,981,939	170,607	128,479	1,267	18,733
Commodity forwards power (GWh)	40,391	15,803	2,846,180	920,797	823	3,083	659	659
Commodity swaps gas (Tm ³)			340,791		-83,223	-83,223		
Commodity swaps oil (t)	1,347,577	465,313	603,044	145,912	-214,096	-194,069	22,953	18,369
Commodity options gas (Tm ³)	7,449,952		1,949,133		0	0		
Commodity options power (GWh)	630		5,020		7,898	7,609		
Total Commodity derivatives			14,328,346	7,048,648	-117,991	-138,121	24,879	37,761
Foreign exchange forwards			1,627,579	534,774	137,815	111,103	14,861	4,161
Foreign exchange swaps			23,836		2,534	2,534		
Interest swaps			66,500		-1,059	-390		
Derivatives from emission allowances			189,548		2,184	10		
Options			2,908	1,236	2,949	2,908	20,166	20,166
Total derivatives			16,238,717	7,584,658	26,432	-21,956	59,906	62,088

The **nominal volume and the nominal value** of derivative financial instruments correspond to the underlying purchase and sales figures upon which the derivatives are based and presented without any offsetting.

Maturities of the fair values are as follows:

	31/12/2008 kEUR	31/12/2007 kEUR
Following year 1	-21,956	62,088
Following years 2 to 5	49,004	-2,182
Thereafter	-616	
Total fair value	26,432	59,906

A small part of the standard contracts at the NBP trading hub (United Kingdom) is accounted for within a cash flow hedge. Disposals within the reporting year resulting from realised positions are included in the costs of material. In 2009, cash flow hedges recognised at the balance sheet date become cash effective and shall be recognised in profit or loss.

Forward foreign exchange contracts are denominated in GBP and USD only. The effects on profit or loss or equity from these instruments at the balance sheet dates arising from a change in exchange rates on the same scale as specified above would have been as follows:

Effects on profit or loss and equity from foreign currency derivatives	Quotation change by	31/12/2008 kEUR	31/12/2007 kEUR
EUR/GBP	+10%	71,348	29,625
	-10%	-87,204	-35,781
EUR/USD	+20%	24,955	
	-10%	-16,637	

One third of the identified risk in GBP results from a cash flow hedge. Estimated changes in exchange rates reflect the risk of exchange rate fluctuations within a period of one year. To this end, an average annual change in foreign exchange rates over the 2002–2008 period has been either increased or reduced by one standard deviation respectively and rounded upwards to full 10% using a conservative approach.

b) Liquidity risk

Liquidity risk arises from movements in the future cash inflows and outflows. This risk is managed by synchronising cash flows including foreign currency alignment. The Group has access to an uncommitted credit facility which has been only partly utilised as of the balance sheet day.

With respect to the planned restructuring of the shareholding in NOVATEK OJSC, Tarko-Sale (Russia), within the GAZPROM Group, interest payments and amortisation regarding the loan granted by GAZPROM OJSC, Moscow (Russia), have been suspended. For further information, please refer to Notes (21) and (32).

c) Credit risk

Exposure to credit risk arises from purchase and sales activities of the GAZPROM Germania Group. In order to assess and limit this risk, credit rating procedures are applied and changes in creditworthiness are monitored on an ongoing basis. As long as no corporate strategic risk is concerned, decisions on loan extension are made taking into account the probability of default of counterparties and the extent of losses arising herefrom. To the extent possible, general agreements containing sector-specific hedging and netting provisions are applied to manage this risk. Since GAZPROM Germania GmbH is not actively involved in trading, the company is only effected to a limited extent.

Financial transactions as well as natural gas trading activities of Gazprom Marketing & Trading Ltd, London (United Kingdom), are restricted to business relationships with creditworthy counterparties. The credit risk is reduced on the basis of the concept of economic capital.

The volume of trading activities with counterparties in South East Europe and Central Asia is also restricted depending on the credit worthiness of the counterparties and is subject to ongoing monitoring. Decisions are made on the basis of the probability of payment default and the associated potential amount of loss.

The **credit risk** associated with derivative financial instruments consists of the total of the positive fair values. In order to reduce the credit risk arising from derivatives, global netting agreements (as well as margin agreements in individual cases) exist with counterparties in accordance with the standard trading agreements. In order to limit this risk, a potential future exposure is calculated and is restricted within the scope of the concept of economic capital.

d) Operational risk

Operational risk is a risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. GAZPROM Germania's risk management offers an approved system which allows for early recognition of the operational risk, assessment of its quality and quantity, its monitoring and prompt reporting to the Managing Director of GAZPROM Germania GmbH.

(40) Risk from litigation and claims

WINGAS Storage UK Ltd, London (United Kingdom), together with other companies, is involved in hostile litigation in which the total costs amount to EUR 20 million. The company is accused of having defaulted on pro rata license fee payments arising from a contract signed in 1964.

(41) Contingent liabilities

	31/12/2008 kEUR	31/12/2007 kEUR
Liabilities arising from guarantees and letters of comfort	35,632	21,181
Others	36,801	7,382
Total contingent liabilities	72,433	28,563

Maturities of the contingent liabilities are as follows:

Following year 1	8,687	23,053
Following years 2 to 5	47,220	5,497
Thereafter	16,526	13
Total contingent liabilities	72,433	28,563

Up to the preparation of the balance sheet, no claims to the GAZPROM Germania Group could be identified.

(42) Other financial commitments

	Notes	31/12/2008 kEUR	31/12/2007 kEUR
Purchase commitments from investments in:			
– Property, plant and equipment		20,430	101,041
– Investment property			6,853
– Investments		187,087	37,561
		207,517	145,455
Commitments arising from gas purchase contracts		58,730,895	25,294,751
Commitments arising from long-term leases (excluding finance leases)	37	4,442	492
Total other financial commitments		58,942,854	25,440,698

The maturities of other financial commitments are as follows:

Following year 1	1,955,842	1,847,374
Following years 2 to 5	7,546,690	5,870,854
Thereafter	49,440,322	17,722,470
Total other financial commitments	58,942,854	25,440,698

(43) Joint ventures disclosures

The items attributable to joint ventures included in the Consolidated Financial Statements (prior to consolidation) are as follows:

	31/12/2008 kEUR	31/12/2007 kEUR
Current assets	491,468	451,580
Non-current assets	149,130	137,104
Total assets	640,598	588,684
Current liabilities	512,559	485,378
Non-current liabilities	49,858	61,544
Total liabilities	562,417	546,922
Revenue	3,037,097	2,017,841
Other operating income	5,933	3,287
Cost of materials	-2,916,488	-1,937,699
Employee benefits expense	-2,422	-2,212
Depreciation and amortisation expense, impairment of intangible and tangible assets	-2,919	-2,714
Other tax expense	-7,646	-14
Other operating expenses	-25,853	-4,056
Result from changes in fair value in the operating activities	-854	-911
Operating profit	86,848	73,522
Interest income	2,678	3,044
Interest expense	-4,729	-2,841
Other result from investments	18,866	29,464
Other financial income	3,761	
Other financial expense	-540	
Income tax expenses	-11,869	-9,179
Profit for the year	95,015	94,010

(44) Related party transactions

As set out in IAS 24, related parties are dominant companies or companies that have significant influence on GAZPROM Germania, as well as companies related to GAZPROM OJSC. All companies, where GAZPROM Germania is a dominant company or has significant influence, as well as members of supervisory boards and key management personnel, also belong hereto.

In addition to business relations with companies included in the Consolidated Financial Statements as a result of full or proportionate consolidation, the following business relations existed with the part not included on proportionate basis, as well as with investments accounted for using the equity method and with other related parties:

	Revenue and other income kEUR	Supplies and services received kEUR	Assets kEUR	Liabilities kEUR
Dominant companies	2,543,615	5,354,351	991,177	2,225,985
Other companies of GAZPROM Group	637,629	1,047,247	152,097	350,211
Joint ventures	88,927	11,230	59,406	28,852
Companies accounted for using the equity method	1,546,793	1,280,437	486,105	218,650
Other related parties	68	3,368	21	1,730
Total transactions with related parties 2008	4,817,032	7,696,633	1,688,806	2,825,428
Dominant companies	1,015,265	2,555,832	369,659	1,847,445
Other companies of GAZPROM Group	469,770	768,592	206,917	110,076
Joint ventures	60,725	7,641	45,606	26,330
Companies accounted for using the equity method	751,404	679,034	579,291	77,813
Other related parties	72	3,464	91	1,969
Total transactions with related parties 2007	2,297,236	4,014,563	1,201,564	2,063,633

All transactions were concluded on an arm's length basis. Paid dividends are not included.

Dominant companies: GAZPROM OJSC, Moscow (Russia), via Gazprom export LLC, Moscow (Russia), owns 100% of the shares in GAZPROM Germania GmbH, Berlin (Germany). Mutual relations concern both gas business (mainly with Gazprom export LLC, Moscow [Russia]) and the funding of the acquisition of shares in NOVATEK OJSC, Tarko-Sale (Russia), via GAZPROM OJSC, Moscow (Russia), (c.f. Notes 30 and 32). In the previous year, allowance for doubtful accounts in the amount of kEUR 11,173 were made on receivables from dominant companies for commission sales.

Other GAZPROM Group companies: Revenue and assets relating to other GAZPROM Group companies concern gas deliveries and related services rendered to RosUkrEnerg AG, Zug (Switzerland), as well as interest income on deposits held at Gazprombank OJSC, Moscow (Russia), until 24 June 2008 (the date of disposal of Gazprombank OJSC from the scope of the affiliated companies of GAZPROM OJSC). 98% (previous year 98%) of deliveries and services provided are attributed to gas deliveries including third party access fees from RosUkrEnerg AG, Zug (Switzerland), and KazRosGaz LLP, Almaty (Kazakhstan), whereas kEUR 2,025 (previous year kEUR 5,169) refer to interest on financial liabilities payable to Gazprombank OJSC, Moscow (Russia), (c.f. Note 30).

Joint ventures: Revenue and assets largely relate to gas deliveries to Wintershall Erdgas Handelshaus Zug AG, Zug (Switzerland). Furthermore, loans totalling kEUR 14,371 (previous year kEUR 15,013) and income totalling kEUR 2,249 (previous year kEUR 729) as well as services provided to Gas Project Development Central Asia AG, Baar (Switzerland), were recognised. Loans granted by Wintershall Erdgas Handelshaus GmbH & Co. KG, Berlin (Germany), (c.f. Note 30) are recognised within liabilities.

Companies accounted for using the equity method: 97% (previous year 99%) of revenue and income relating to investments accounted for using the equity method result from gas delivery contracts with WINGAS GmbH & Co. KG, Kassel (Germany). The Group has received interest income at the usual market conditions for a loan granted to this company totalling kEUR 282,834 (previous year kEUR 282,834). Liabilities and expenses refer exclusively to relations with WINGAS GmbH & Co. KG, and consist primarily of gas purchases, while the rest is attributed to interest payments.

Other related parties: Remuneration in the amount of kEUR 1,634 (previous year kEUR 1,359) was granted to the key management personnel of GAZPROM Germania. Additionally, retirement benefit obligations for this group of individuals amount to kEUR 1,730 (previous year kEUR 1,870).

(45) Events after the Balance Sheet date

ZMB GmbH, Berlin (Germany), has sold its 100% interest in Barents Sea Oil GmbH, Berlin (Germany), to Gazprom Marketing & Trading Ltd, London (United Kingdom) for kEUR 120 in accordance with the sales and purchase agreement dated 5 February 2009. The company was renamed Gazprom Marketing & Trading Germania GmbH and was entered in the Commercial Register on 25 February 2009.

On 5 February 2009, ZMB GmbH, Berlin (Germany), increased its shareholding in Vemex s.r.o., Prague (Czech Republic), from 33% to 50.14% as part of a capital increase of kCZK 40,870. Furthermore, a guarantee in the amount of up to kCZK 171,500 was issued in favour of the company's banks on 7 January 2009. The guarantee expires on 30 September 2009.

In the context of this acquisition of additional shares, Vemex Energ s.r.o., Bratislava (Slovakia), was included in the scope of consolidation of GAZPROM Germania as a wholly-owned subsidiary of Vemex s.r.o., Prague (Czech Republic). The company provides IT services, technical and economic consulting services and organises training courses in the area of the energy industry.

These financial statements were approved by the Management on 30 March 2009 and released for publication.

Berlin, 30 March 2009

GAZPROM Germania GmbH
Managing Director

Independent Auditors' Report

We have audited the Consolidated Financial Statements prepared by GAZPROM Germania GmbH, Berlin, which comprise the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and the related Notes as well as the Group Management Report for the financial year from 1 January to 31 December 2008. The Company's management is responsible for the preparation of the Consolidated Financial Statements and the Group Management Report in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the additional requirements of German commercial law pursuant to section 315a (1) of the German Commercial Code (HGB). Our responsibility is to express an opinion on the Consolidated Financial Statements and the Group Management Report based on our audit.

We conducted our audit of the Consolidated Financial Statements pursuant to section 317 HGB and in compliance with German Generally Accepted Auditing Standards promulgated by the Institut der Wirtschaftsprüfer (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 Consolidated Financial Statements in accordance with German Generally Accepted Accounting Principles and the Group Management Report are detected with reasonable assurance. In order to select appropriate audit procedures, the auditor takes into account information on the Group's business activities, its economic and legal environment as well as estimation of any potential misstatements. An audit includes examination, primarily on a test basis, of the effectiveness of the accounting-related internal control system and of evidence relevant to the disclosures in the Consolidated Financial Statements and the Group Management Report. The audit also includes an assessment of the Annual Financial Statements of the companies included in the consolidation, the scope of consolidation, the accounting and consolidation principles used

and of the significant estimates made by the management. In forming our opinion we also evaluated the overall presentation of the Consolidated Financial Statements and the Group Management Report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the Consolidated Financial Statements of GAZPROM Germania GmbH, Berlin comply with IFRS as adopted by the European Union and the additional requirements of German commercial law pursuant to section 315a (1) HGB, and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The Group Management Report is consistent with the Consolidated Financial Statements and, on the whole, presents fairly the state of the Group's affairs as well as opportunities and risks with regard to its future development.

Berlin, 2 April 2009

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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

