**PJSC SIBUR Holding**

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

**As of and for the three and six months ended 30 June 2018**

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# *Report on Review of Consolidated Interim Condensed Financial Information*

To the Shareholders and Board of Directors of PJSC SIBUR Holding:

## Introduction

We have reviewed the accompanying consolidated interim condensed statement of financial position of PJSC SIBUR Holding and its subsidiaries (the "Group") as of 30 June 2018 and the related consolidated interim condensed statements of profit or loss, comprehensive income for the three-month and six-month periods then ended, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this consolidated interim condensed financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this consolidated interim condensed financial information based on our review.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim condensed financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

AO PricewaterhouseCoopers Audit

7 August 2018

Moscow, Russian Federation

T.V. Sirotinskaya, certified auditor (licence no. 01-000527),

AO PricewaterhouseCoopers Audit

Audited entity: PJSC SIBUR Holding

Certificate of inclusion in the Unified State Register of Legal Entities issued on 8 July 2005 under registration № 1057747421247

Block 1, No. 6, bld. 30, Eastern Industrial Park, Tobolsk, Tyumen Region, Russian Federation, 626150

Independent auditor: AO PricewaterhouseCoopers Audit

State registration certificate № 008.890, issued by the Moscow Registration Chamber on 28 February 1992

Certificate of inclusion in the Unified State Register of Legal Entities issued on 22 August 2002 under registration № 1027700148431

Member of Self-regulated organization of auditors "Russian Union of auditors" (Association)

ORNZ 11603050547 in the register of auditors and audit organizations

| Notes | | Three months ended 30 June 2018 | Three months ended 30 June 2017 | Six months ended 30 June 2018 | Six months ended 30 June 2017 |
|---|---|---|---|---|---|
| 6 | Revenue | 137,602 | 104,657 | 257,694 | 211,944 |
| 7 | Operating expenses | (99,341) | (78,446) | (186,084) | (154,105) |
| | **Operating profit** | **38,261** | **26,211** | **71,610** | **57,839** |
| 8 | Finance income | 284 | 1,444 | 886 | 9,339 |
| 8 | Finance expenses | (14,287) | (11,398) | (14,636) | (6,215) |
| 4 | Gain on disposal of subsidiary | - | 19,805 | - | 19,805 |
| | Share of net income of joint ventures and associates | 853 | (295) | 1,462 | 529 |
| | **Profit before income tax** | **25,111** | **35,767** | **59,322** | **81,297** |
| 23 | Income tax expense | (6,077) | (6,402) | (13,454) | (15,471) |
| | **Profit for the reporting period** | **19,034** | **29,365** | **45,868** | **65,826** |
| | **Profit for the reporting period, including** | **19,034** | **29,365** | **45,868** | **65,826** |
| | Non-controlling interest | 1,132 | 602 | 1,799 | 1,001 |
| | Shareholders of the parent company | 17,902 | 28,763 | 44,069 | 64,825 |
| | **Basic and diluted earnings per share (in Russian roubles per share)** | 8.22 | 13.20 | 20.23 | 29.76 |
| | Weighted average number of shares outstanding (in thousands) | 2,178,479 | 2,178,479 | 2,178,479 | 2,178,479 |

**Supplementary Information (non-IFRS measures)**

| Notes | | Three months ended 30 June 2018 | Three months ended 30 June 2017 | Six months ended 30 June 2018 | Six months ended 30 June 2017 |
|---|---|---|---|---|---|
| 9 | EBITDA | 46,927 | 34,825 | 89,188 | 75,157 |
| | **EBITDA margin** | **34.1%** | **33.3%** | **34.6%** | **35.5%** |
| 9 | Adjusted EBITDA | 49,307 | 36,791 | 93,763 | 78,919 |

D.V. Konov
Chairman of the Management Board
7 August 2018

A.A. Petrov
Chief Financial Officer
7 August 2018

**(In millions of Russian roubles, unless otherwise stated)**

| Notes | | 30 June 2018 | 31 December 2017 |
|---|---|---|---|
| | **Assets** | | |
| | **Non-current assets** | | |
| 11 | Property, plant and equipment | 681,062 | 605,315 |
| | Advances and prepayments for capital construction | 55,084 | 69,015 |
| | Goodwill | 12,097 | 12,097 |
| | Intangible assets excluding goodwill | 104,008 | 107,822 |
| 12 | Investments in joint ventures and associates | 34,287 | 33,673 |
| | Deferred income tax assets | 8,565 | 11,731 |
| | Long-term advances issued under project management and construction services | 58,169 | 52,027 |
| | Loans receivable | 1,675 | 1,501 |
| | Prepaid borrowing costs | 2,085 | 2,307 |
| 13 | Trade and other receivables | 3,639 | 2,408 |
| | Other non-current assets | 3,122 | 2,848 |
| | **Total non-current assets** | **963,793** | **900,744** |
| | **Current assets** | | |
| 14 | Inventories | 40,003 | 31,734 |
| | Prepaid current income tax | 1,239 | 2,334 |
| 13 | Trade and other receivables | 31,341 | 25,326 |
| 15 | Prepayments and other current assets | 20,040 | 24,085 |
| | Short-term advances issued under project management and construction services | 63,026 | 39,699 |
| | Prepaid borrowing costs | 4,932 | 4,455 |
| | Cash and cash equivalents | 23,782 | 48,456 |
| | **Total current assets** | **184,363** | **176,089** |
| 4,5 | Assets classified as held for sale | 4,398 | 6,568 |
| | **Total assets** | **1,152,554** | **1,083,401** |
| | **Liabilities and equity** | | |
| | **Non-current liabilities** | | |
| 16 | Long-term debt excluding related to ZapSibNeftekhim | 122,584 | 111,786 |
| 17 | Long-term ZapSibNeftekhim related debt | 195,324 | 170,712 |
| 18 | Deferred income from grants and subsidies | 49,405 | 48,720 |
| | Long-term advances received under project management and construction services | 82,029 | 58,524 |
| | Deferred income tax liabilities | 36,817 | 38,730 |
| 19 | Other non-current liabilities | 13,452 | 16,575 |
| | **Total non-current liabilities** | **499,611** | **445,047** |
| | **Current liabilities** | | |
| 20 | Trade and other payables | 104,732 | 95,360 |
| | Short-term advances received under project management and construction services | 44,311 | 39,558 |
| | Income tax payable | 1,952 | 1,611 |
| 16 | Current portion of long-term debt excluding related to ZapSibNeftekhim | 1,647 | 27,361 |
| 17 | Current portion of long-term ZapSibNeftekhim related debt | 5,976 | 2,485 |
| 21 | Taxes other than income tax payable | 7,427 | 8,550 |
| | **Total current liabilities** | **166,045** | **174,925** |
| 5 | Liabilities associated with assets classified as held for sale | - | 6,696 |
| | **Total liabilities** | **665,656** | **626,668** |
| | **Equity** | | |
| 22 | Ordinary share capital | 21,784 | 21,784 |
| | Share premium | 9,357 | 9,357 |
| | Equity-settled share-based payment plans | 32,450 | 32,450 |
| | Retained earnings | 417,454 | 388,090 |
| | **Total equity attributable to the shareholders of the parent company** | **481,045** | **451,681** |
| | Non-controlling interest | 5,853 | 5,052 |
| | **Total equity** | **486,898** | **456,733** |
| | **Total liabilities and equity** | **1,152,554** | **1,083,401** |

**(In millions of Russian roubles, unless otherwise stated)**

| Notes | | Six months ended 30 June 2018 | Six months ended 30 June 2017 |
|---|---|---|---|
| | **Operating activities** | | |
| 24 | Cash from operating activities before income tax payment | 81,443 | 75,339 |
| | Income tax paid | (10,798) | (12,048) |
| 24 | **Net cash from operating activities** | **70,645** | **63,291** |
| | **Investing activities** | | |
| | Purchase of property, plant and equipment | (69,118) | (47,732) |
| | Purchase of intangible assets and other non-current assets | (1,189) | (981) |
| 26 | Acquisition of interest in subsidiary, net of cash acquired | (1,837) | (1,209) |
| 4 | Proceeds from disposal of subsidiary, net of cash disposed | - | 22,136 |
| | Income tax paid on the disposal of subsidiary | - | (3,471) |
| 12 | Additional contributions to the share capital of joint ventures and associates | - | (942) |
| 12 | Dividends received | 1,057 | 726 |
| | Interest received | 473 | 1,047 |
| | Repayment of loans receivable | - | 968 |
| | Proceeds from sale of property, plant and equipment | 104 | 52 |
| | Other | (501) | (7) |
| | **Net cash used in investing activities** | **(71,011)** | **(29,413)** |
| | **Financing activities** | | |
| | Proceeds from debt | 21,206 | 28,376 |
| | Repayment of debt | (26,691) | (64,758) |
| | Interest paid | (6,890) | (7,599) |
| 22 | Dividends paid | (15,604) | (9,367) |
| | Return of deposit under loan settlement arrangement | - | 1,384 |
| | Bank commissions paid | (375) | (969) |
| 18 | Grants and subsidies received | 2,378 | - |
| | **Net cash used in financing activities** | **(25,976)** | **(52,933)** |
| | Effect of exchange rate changes on cash and cash equivalents | 1,668 | (364) |
| | **Net decrease in cash and cash equivalents** | **(24,674)** | **(19,419)** |
| | Cash and cash equivalents, at the beginning of the reporting period | 48,456 | 60,635 |
| | **Cash and cash equivalents, at the end of the reporting period** | **23,782** | **41,216** |

(In millions of Russian roubles, unless otherwise stated)

| Notes | | Attributable to the shareholders of the parent company: Share capital | Share premium | Equity-settled share-based payment plans | Retained earnings | Total | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|
| | **Balance as of 1 January 2017** | **21,784** | **9,357** | **32,450** | **290,889** | **354,480** | **2,258** | **356,738** |
| | Profit for the reporting period | - | - | - | 64,825 | 64,825 | 1,001 | 65,826 |
| | **Total comprehensive income for the reporting period** | **-** | **-** | **-** | **64,825** | **64,825** | **1,001** | **65,826** |
| 22 | Dividends | - | - | - | (9,367) | (9,367) | (219) | (9,586) |
| | **Balance as of 30 June 2017** | **21,784** | **9,357** | **32,450** | **346,347** | **409,938** | **3,040** | **412,978** |
| | **Balance as of 1 January 2018** | **21,784** | **9,357** | **32,450** | **388,090** | **451,681** | **5,052** | **456,733** |
| | Profit for the reporting period | - | - | - | 44,069 | 44,069 | 1,799 | 45,868 |
| | **Total comprehensive income for the reporting period** | **-** | **-** | **-** | **44,069** | **44,069** | **1,799** | **45,868** |
| 4 | Deconsolidation of subsidiary | - | - | - | - | - | (99) | (99) |
| 22 | Dividends | - | - | - | (14,705) | (14,705) | (899) | (15,604) |
| | **Balance as of 30 June 2018** | **21,784** | **9,357** | **32,450** | **417,454** | **481,045** | **5,853** | **486,898** |

**(In millions of Russian roubles, unless otherwise stated)**

| | Three months ended 30 June | | Six months ended 30 June | |
|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** |
| **Profit for the reporting period** | **19,034** | **29,365** | **45,868** | **65,826** |
| **Total comprehensive income for the reporting period** | **19,034** | **29,365** | **45,868** | **65,826** |
| **Total comprehensive income for the reporting period, including attributable to:** | **19,034** | **29,365** | **45,868** | **65,826** |
| Non-controlling interest | 1,132 | 602 | 1,799 | 1,001 |
| Shareholders of the parent company | 17,902 | 28,763 | 44,069 | 64,825 |

## 1 NATURE OF OPERATIONS

PJSC SIBUR Holding (the "Company") and its subsidiaries (jointly referred to as the "Group") form a vertically integrated petrochemical business. The Group purchases and processes raw materials (primarily associated petroleum gas and natural gas liquids), and produces and markets energy and petrochemical products, both domestically and internationally. The Group's production facilities are located in the Russian Federation.

The Group's overall sales have no material exposure to seasonal factors.

## 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

***Basis of preparation.*** This consolidated interim condensed financial information has been prepared in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting". This consolidated interim condensed financial information should be read in conjunction with the Group's consolidated financial statements as of and for the year ended 31 December 2017, prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee ("IFRIC") interpretations.

Most of the Group's companies maintain their accounting records in Russian roubles ("RUB") and prepare their statutory financial statements in accordance with the Regulations on Accounting and Reporting of the Russian Federation ("RAR"). This consolidated interim condensed financial information is based on the statutory records of the Group's companies, with adjustments and reclassifications recorded to ensure fair presentation in accordance with IFRS.

The principal accounting policies applied by the Group are consistent with those disclosed in the Group's consolidated financial statements as of and for the year ended 31 December 2017, except for income tax expenses recognized based on Group management's best estimate of the weighted average annual income tax rate expected for the full financial year (see Note 23) and for the changes after adoption of the new standards IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments". Other new and amended standards and interpretations that are mandatory for annual period beginning on 1 January 2018 have no material impact on the Group's accounting policies (further information is provided in Note 28).

***Revenue recognition.*** The Group's adoption of IFRS 15 "Revenue from Contracts with Customers" from 1 January 2018 led to changes in accounting policies. In the transition to IFRS 15, the Group has elected to apply a modified retrospective approach. The transition to IFRS 15 did not have a significant effect on the Group's consolidated financial information. Therefore, transition adjustment was recognized within retained earnings and trade and other receivables lines of the consolidated interim condensed statement of financial position in the amount of RUB 425 as of 1 January 2018 and no additional disclosures are provided under IAS 11/18 in this consolidated interim condensed financial information for the six-month period ended 30 June 2018.

The Group produces and sells a range of petrochemical products for domestic and international markets. Sales of goods are recognized when control of the products has transferred in accordance with each contract term. If the Group provides any additional services (such as transportation, etc.) to a customer after the control over goods has passed, the revenue from such services is considered to be a separate performance obligation and is recognized over the time that the service is rendered.

Revenue on contracts that include variable consideration is recognized only to the extent that it is highly probable that there will be no significant reversal of such consideration. Contracts with customers do not contain a significant financing component. Sales are shown net of VAT, excise tax, export duties and other similar mandatory payments.

## 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Group is involved in construction projects where it may act as a principal or an agent. The Group acts as a principal if it obtains control over goods and services from other parties that it then combines with other goods and services in providing a specified service to a customer. Revenue for such contracts is recognized based on the input method by reference to costs incurred relative to the total expected costs.

The Group gets unconditional right to consideration when a customer accepts acts of services rendered (progress billings). If the services rendered by the Group exceed progress billings and advances received for services not yet accepted by the customer, a contract asset is recognized. If the progress billings and advances received for services not yet accepted by the customer exceed the services rendered, a contract liability is recognized. Progress billings not yet paid by customers and retentions are included within trade accounts receivable.

The Group recognizes revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the contract. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In an agency relationship, the Group satisfies its promise to a customer to arrange for the provision of the specified good or service by another party or parties. The Group's revenue under such arrangement represents the agency fee. The Group assess whether it acts as an agent or as a principal on a contract-by-contract basis.

***Financial instruments***

The Group adopted of IFRS 9 "Financial Instruments" from 1 January 2018. The Group applied the new rules from 1 January 2018 with the practical expedients permitted under the standard. The transition to IFRS 9 did not have a significant effect on the Group's consolidated financial statements, except as described below. Comparatives for 2017 were not restated.

***Effect of the initial application of IFRS 9 at the Group's consolidated financial statements.*** The Group has reviewed its financial assets and liabilities and identified the following impact from the adoption of the new standard on 1 January 2018:

*Assets.* The Group's debt instruments were previously classified as loans and receivables and measured at amortised cost, except for the contingent consideration for the sale of Portenergo LLC, which was classified as available for sale and measured at fair value.

The Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories. Contingent consideration for the sale of Portenergo LLC was reclassified to the amortised cost measurement category using the hold to collect model. No material effect on equity was identified. All other financial assets satisfied the conditions for classification at amortised cost and there was no change to the measurement for these instruments.

*Impairment.* An analysis performed by the Group's management determined that the amount of expected credit losses as of 1 January 2018 does not materially differ from the amount of recognized allowances in the consolidated financial statements as of 31 December 2017 and, therefore, there is no quantitative effect of the transition as of 1 January 2018.

**(In millions of Russian roubles, unless otherwise stated)**

## 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Liabilities.* There is no impact on the Group's accounting and classification for financial liabilities. The requirements affect accounting and classification for financial liabilities that are designated at fair value through profit or loss. The only liabilities measured at fair value through profit or loss are contingent and deferred considerations for the purchase of Tobolsk HPP LLC (see Note 26). The Group believes no reclassification is required for the financial instruments and no material changes in carrying values is required. The derecognition rules were transferred from IAS 39 "Financial Instruments: Recognition and Measurement" and have not been changed.

The official exchange rates of the US dollar (USD) and euro (EUR) against the Russian rouble (RUB), as set by the Central Bank of Russia, are as follows:

| | **USD/RUB** | **EUR/RUB** |
|---|---|---|
| As of 30 June 2018 | 62.7565 | 72.9921 |
| Three-months period ended 30 June 2018 weighted average | 61.7998 | 73.7505 |
| Six-month period ended 30 June 2018 weighted average | 59.3536 | 71.8223 |
| As of 31 December 2017 | 57.6002 | 68.8668 |
| Three-months period ended 30 June 2017 weighted average | 57.1451 | 62.7892 |
| Six-month period ended 30 June 2017 weighted average | 57.9862 | 62.7187 |

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities in the future reporting periods. Estimates and judgements are continually evaluated and are based on management's experience and other factors, such as forecasts of future events that are considered to be reasonable under the given circumstances.

Management also makes certain judgements, in addition to those involving estimates, when it applies its accounting policies. The critical accounting estimates and judgements in applying accounting policies of the Group are consistent with those disclosed in the Group's consolidated financial statements as of and for the year ended 31 December 2017, except for those which were reassessed after adoption of the new standards IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments".

***Amur GPP project.*** In July 2015, LLC Gazprom Pererabotka Blagoveshchensk, a Gazprom Group member, and NIPIgaspererabotka JSC ("NIPIGAS"), a Group subsidiary, signed a contract to manage a project on constructing the Amur Gas Processing Plant ("Amur GPP") in the Amur Region. Under this agreement, NIPIGAS manages and supervises engineering work, procurement and delivery of equipment and materials, and construction work until the transfer of the plant to LLC Gazprom Pererabotka Blagoveshchensk in a state of mechanical completion. Remuneration under this contract includes reimbursement of payments to subcontractors for services rendered and equipment delivered, and management services fee.

The Group's management considered that under this project the Group's promise is to arrange for specified goods or services to be provided to the customer by the other parties, as the customer has a significant control over the construction process, including approval by LLC Gazprom Pererabotka Blagoveshchensk of contracts with subcontractors and preapproval of services rendered and equipment delivered by subcontractors before their acceptance by NIPIGAS. Thus, under this contract, part of the remuneration that is received from the customer and transferred to subcontractors for construction services and equipment delivery is not recognized as revenue in the consolidated interim condensed statement of profit or loss. Remuneration for management services rendered by NIPIGAS is recognized within revenue from project management and construction services in the consolidated interim condensed statement of profit or loss.

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

***Revenue under EPC contracts.*** NIPIGAS is engaged in the construction of a combined oil refining unit for JSC Gazpromneft Moscow Refinery and the construction of utilities, infrastructure and offsites for JSC Gazpromneft Omsk Refinery. On both contracts, NIPIGAS acts as an Engineering, Procurement and Construction ("EPC") contractor. Also, NIPIGAS is engaged in the ARCTIC LNG 2 project for PJSC NOVATEK by providing engineering services to NOVAENGINEERING (see Note 4). The contracts specify a fixed consideration.

The Group accounts for such construction contracts using the input method, applying judgement over the expected costs to be incurred until project completion. If circumstances arise that may change the original estimates of revenue, costs or the extent of progress toward completion, the estimates are revised. These revisions may result in increases or decreases in estimated revenues and total costs and are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For the three-month periods ended 30 June 2018 and 30 June 2017, the Group recognized revenue from the application of the input method by reference to costs incurred of RUB 7,519 and RUB 1,351, respectively, for the six-month periods ended 30 June 2018 and 30 June 2017, the Group recognized revenue from the application of the input method by reference to costs incurred of RUB 11,202 and RUB 2,016, respectively (see Note 10).

## 4 ACQUISITION AND DECONSOLIDATION OF SUBSIDIARIES

### *LNG NOVAENGINEERING LLC*

As of 31 December 2017, the Group classified assets and liabilities of its subsidiary LNG NOVAENGINEERING LLC ("NOVAENGINEERING") as assets held for sale and associated liabilities. NOVAENGINEERING was founded by NIPIGAS in February 2017 to provide engineering, design and other services related to gravity-based structure liquefied natural gas plants, including ARCTIC LNG 2 project for PJSC NOVATEK.

In January 2018, the part of NIPIGAS's interest in NOVAENGINEERING was sold for a cash consideration of RUB 16 to Technip France and LINDE AG. As a result the ownership percentage of NIPIGAS in NOVAENGINEERING decreased to 50.1 percent. In accordance with the Charter of NOVAENGINEERING and the other documents concluded to implement ARCTIC LNG 2 and the other projects, the participants exercise joint control over relevant activities of NOVAENGINEERING and the Group's management determines it as a joint venture. The Group's management is planning to keep the Group's majority ownership percentage in NOVAENGINEERING. Fair value of the Group's investment retained in NOVAENGINEERING approximated its carrying value as of the disposal date.

The carrying amounts of NOVAENGINEERING's assets and liabilities as of the disposal date amounted to RUB 7,312 and RUB 7,279, respectively (as of 31 December 2017 – RUB 6,568 and RUB 6,696, respectively). NOVAENGINEERING's assets were mainly presented by trade and other receivables; liabilities were mainly presented by advances from customers.

The Group did not incur any significant transaction costs on the disposal. Until the disposal date NOVAENGINEERING's financial results are reported as Unallocated in the segment information (see Note 9).

**(In millions of Russian roubles, unless otherwise stated)**

## 5 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

In the second quarter 2018, the Group decided to sell its own tanks for LPG transportation and classified them as held for sale. The Group aimed to withdraw the assets within 12 months to a third party on the market conditions. As of 30 June 2018, the assets classified as held for sale amounted to RUB 4,398.

## 6 REVENUE

Revenue by products and reportable segments is presented below:

| | Three months ended 30 June | | Six months ended 30 June | |
|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** |
| ***Midstream**** | **56,446** | **37,994** | **106,526** | **79,276** |
| Liquefied petroleum gas | 36,429 | 20,893 | 67,789 | 44,759 |
| Natural gas | 11,663 | 11,293 | 23,528 | 22,479 |
| Naphtha | 7,857 | 5,303 | 14,185 | 11,047 |
| Other sales | 497 | 505 | 1,024 | 991 |
| ***Olefins and Polyolefins*** | **25,390** | **21,234** | **48,189** | **42,634** |
| Polyolefins | 17,673 | 15,272 | 33,569 | 30,452 |
| BOPP films | 4,740 | 4,213 | 8,919 | 8,418 |
| Olefins | 1,549 | 1,247 | 3,265 | 2,770 |
| Other polymers products | 1,211 | 327 | 2,051 | 661 |
| Other sales | 217 | 175 | 385 | 333 |
| ***Plastics, Elastomers and Intermediates*** | **41,807** | **37,959** | **78,151** | **76,192** |
| Plastics and organic synthesis products | 14,261 | 12,654 | 27,227 | 23,976 |
| Elastomers | 13,876 | 13,343 | 25,986 | 27,488 |
| MTBE and fuel additives | 8,060 | 5,870 | 13,091 | 12,128 |
| Intermediates and other chemicals | 5,329 | 5,750 | 11,262 | 11,981 |
| Other sales | 281 | 342 | 585 | 619 |
| ***Unallocated*** | **13,959** | **7,470** | **24,828** | **13,842** |
| Revenue from project management and construction services | 10,373 | 4,215 | 17,348 | 7,083 |
| Other revenue | 3,586 | 3,255 | 7,480 | 6,759 |
| **Total revenue** | **137,602** | **104,657** | **257,694** | **211,944** |

* In the second quarter 2018 the segment Feedstock and Energy was renamed to Midstream without any changes in the segment structure.

**(In millions of Russian roubles, unless otherwise stated)**

## 7 OPERATING EXPENSES

| | Three months ended 30 June | | Six months ended 30 June | |
|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** |
| Feedstock and materials | 30,776 | 20,963 | 58,031 | 43,204 |
| Transportation and logistics | 17,848 | 16,351 | 35,354 | 32,326 |
| Staff costs | 11,251 | 9,989 | 22,273 | 19,484 |
| Energy and utilities | 9,534 | 9,056 | 19,696 | 19,157 |
| Depreciation and amortization | 8,668 | 8,619 | 17,595 | 17,530 |
| Goods for resale | 7,751 | 5,855 | 14,490 | 10,265 |
| Services provided by third parties | 7,598 | 2,664 | 12,508 | 5,002 |
| Repairs and maintenance | 2,539 | 2,148 | 3,660 | 3,219 |
| Taxes other than income tax | 1,030 | 768 | 1,989 | 1,571 |
| Processing services of third parties | 919 | 896 | 1,877 | 1,517 |
| Rent expenses | 349 | 329 | 775 | 645 |
| Marketing and advertising | 446 | 142 | 597 | 376 |
| Charity and sponsorship | 259 | 392 | 411 | 443 |
| Loss on disposal of property, plant and equipment | 67 | 184 | 131 | 113 |
| Reversal of impairment of property, plant and equipment | (2) | (5) | (17) | (212) |
| Change in WIP and refined products balances | (1,063) | (221) | (4,445) | (986) |
| Other | 1,371 | 316 | 1,159 | 451 |
| **Total operating expenses** | **99,341** | **78,446** | **186,084** | **154,105** |

## 8 FINANCE INCOME AND EXPENSES

| | Three months ended 30 June | | Six months ended 30 June | |
|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** |
| Interest income | 182 | 592 | 615 | 1,133 |
| Gain on the loan release | - | - | - | 1,384 |
| Foreign exchange gain from financing activities | - | - | - | 6,714 |
| Foreign exchange gain from non-financing activities | - | 738 | - | - |
| Other income | 102 | 114 | 271 | 108 |
| **Total finance income** | **284** | **1,444** | **886** | **9,339** |
| Foreign exchange loss from financing activities | (13,748) | (9,123) | (11,878) | - |
| Foreign exchange loss from non-financing activities | (63) | - | (1,501) | (874) |
| Unwinding of discount on non-current accounts payable | (314) | (273) | (651) | (551) |
| Interest expense | (82) | (1,856) | (494) | (4,167) |
| Bank commissions | (12) | (146) | (25) | (567) |
| Other expense | (68) | - | (87) | (56) |
| **Total finance expenses** | **(14,287)** | **(11,398)** | **(14,636)** | **(6,215)** |

## 9 SEGMENT INFORMATION

The Group operates as a vertically integrated business, gathering and processing hydrocarbon feedstock, obtained from major Russian oil and gas companies, and producing and selling a wide range of petrochemical products as well as energy products.

## 9 SEGMENT INFORMATION (CONTINUED)

At the beginning of the reporting period, the chief operating decision-makers were the Chairman of the Management Board, the Chief Operating Officer, the Chief Financial Officer and three Executive Directors. In February 2018, the Company updated its Charter and now has two single-member executive bodies, namely Chairman of the Management Board of PJSC SIBUR Holding and Chief Executive Officer of SIBUR LLC – the management company of the Group. This decision results from the previously initiated processes seeking to separate strategic management from operational to further enhance management efficiency. As a result, the Group's chief operating decision-makers are now the Chairman of the Management Board, the Chief Executive Officer, the Chief Financial Officer and three Executive Directors. These executives regularly review the Group's internal reporting in order to assess performance and allocate resources.

The Group's management determines three operating and reportable segments:

- Midstream – processing of associated petroleum gas and raw natural gas liquids to produce energy products, natural gas, liquefied petroleum gases and naphtha, which are used as feedstock by the Olefins and Polyolefins segment and the Plastics, Elastomers and Intermediates segment and also marketed and sold externally;
- Olefins and Polyolefins – mainly the production of polypropylene, polyethylene, propylene, ethylene and BOPP films;
- Plastics, Elastomers and Intermediates – the production of synthetic rubbers, plastics, organic synthesis products and other petrochemical products. In addition, the Plastics, Elastomers and Intermediates segment produces fuel additives, including MTBE, which is fully sold externally.

The Group's management assesses the performance of each operating segment based on their respective EBITDA contributions. The revenues and expenses of some of the Group's subsidiaries, which primarily provide energy supply, transportation, managerial and other services to other Group entities are not allocated into the operating segments.

EBITDA is calculated as the profit or loss for the period, adjusted by income tax expense, finance income and expenses, share of net income of joint ventures and associates, depreciation and amortization, impairment of property, plant and equipment, profit or loss on disposal of investments, as well as other one-off items.

To reflect and assess the results of the joint ventures and associates the Group's EBITDA was adjusted by the Group's portion of the EBITDA (calculated in accordance with the methodology as above) of joint ventures and associates (Adjusted EBITDA).

Inter-segment transfers include transfers of raw materials, goods and services from one segment to another, amount is determined based on the market prices for similar goods.

(In millions of Russian roubles, unless otherwise stated)

## 9 SEGMENT INFORMATION (CONTINUED)

Other information provided to management, except as noted below, is measured in a manner consistent with that in this consolidated interim condensed financial information.

| | Mid-stream | Olefins and Poly-olefins | Plastics, Elastomers and Intermediates | Total reportable segments | Unallocated | Total |
|---|---|---|---|---|---|---|
| **Three months ended 30 June 2018** | | | | | | |
| Total segment revenue | 67,909 | 30,501 | 42,433 | 140,843 | 14,431 | 155,274 |
| Inter-segment transfers | (11,463) | (5,111) | (626) | (17,200) | (472) | (17,672) |
| **External revenue** | **56,446** | **25,390** | **41,807** | **123,643** | **13,959** | **137,602** |
| **EBITDA** | **29,338** | **8,958** | **8,947** | **47,243** | **(316)** | **46,927** |
| Group's portion of joint ventures and associates EBITDA | 168 | 2,201 | - | 2,369 | 11 | 2,380 |
| **Adjusted EBITDA** | **29,506** | **11,159** | **8,947** | **49,612** | **(305)** | **49,307** |
| **Three months ended 30 June 2017** | | | | | | |
| Total segment revenue | 47,026 | 27,313 | 38,441 | 112,780 | 8,053 | 120,833 |
| Inter-segment transfers | (9,032) | (6,079) | (482) | (15,593) | (583) | (16,176) |
| **External revenue** | **37,994** | **21,234** | **37,959** | **97,187** | **7,470** | **104,657** |
| **EBITDA** | **14,491** | **12,030** | **8,808** | **35,329** | **(504)** | **34,825** |
| Group's portion of joint ventures and associates EBITDA | 169 | 1,797 | - | 1,966 | - | 1,966 |
| **Adjusted EBITDA** | **14,660** | **13,827** | **8,808** | **37,295** | **(504)** | **36,791** |

| | Mid-stream | Olefins and Poly-olefins | Plastics, Elastomers and Intermediates | Total reportable segments | Unallocated | Total |
|---|---|---|---|---|---|---|
| **Six months ended 30 June 2018** | | | | | | |
| Total segment revenue | 132,298 | 60,653 | 79,347 | 272,298 | 25,567 | 297,865 |
| Inter-segment transfers | (25,772) | (12,464) | (1,196) | (39,432) | (739) | (40,171) |
| **External revenue** | **106,526** | **48,189** | **78,151** | **232,866** | **24,828** | **257,694** |
| **EBITDA** | **55,542** | **18,990** | **15,580** | **90,112** | **(924)** | **89,188** |
| Group's portion of joint ventures and associates EBITDA | 334 | 4,224 | - | 4,558 | 17 | 4,575 |
| **Adjusted EBITDA** | **55,876** | **23,214** | **15,580** | **94,670** | **(907)** | **93,763** |
| **Six months ended 30 June 2017** | | | | | | |
| Total segment revenue | 99,940 | 55,752 | 77,214 | 232,906 | 14,636 | 247,542 |
| Inter-segment transfers | (20,664) | (13,118) | (1,022) | (34,804) | (794) | (35,598) |
| **External revenue** | **79,276** | **42,634** | **76,192** | **198,102** | **13,842** | **211,944** |
| **EBITDA** | **35,156** | **24,030** | **18,118** | **77,304** | **(2,147)** | **75,157** |
| Group's portion of joint ventures and associates EBITDA | 422 | 3,340 | - | 3,762 | - | 3,762 |
| **Adjusted EBITDA** | **35,578** | **27,370** | **18,118** | **81,066** | **(2,147)** | **78,919** |

For the six-month periods ended 30 June 2018 and 30 June 2017, EBITDA in US dollars, measured at the weighted average exchange rate of the US dollar against the Russian rouble (see Note 2), was USD 1,503 million and USD 1,296 million, respectively.

**(In millions of Russian roubles, unless otherwise stated)**

## 9 SEGMENT INFORMATION (CONTINUED)

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

| | Three months ended 30 June | | Six months ended 30 June | |
|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** |
| **EBITDA** | **46,927** | **34,825** | **89,188** | **75,157** |
| Finance income | 284 | 1,444 | 886 | 9,339 |
| Finance expenses | (14,287) | (11,398) | (14,636) | (6,215) |
| Gain on disposal of subsidiary | - | 19,805 | - | 19,805 |
| Share of net income of joint ventures and associates | 853 | (295) | 1,462 | 529 |
| Depreciation and amortization | (8,668) | (8,619) | (17,595) | (17,530) |
| Reversal of impairment of property, plant and equipment | 2 | 5 | 17 | 212 |
| **Profit before income tax** | **25,111** | **35,767** | **59,322** | **81,297** |

### *Geographical information*

The breakdown of revenues by geographical regions was as follows:

| | Three months ended 30 June | | Six months ended 30 June | |
|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** |
| Russia | 78,668 | 62,799 | 148,872 | 122,986 |
| Europe | 45,392 | 28,778 | 81,316 | 60,601 |
| Asia | 6,113 | 7,032 | 12,837 | 16,082 |
| CIS | 6,350 | 5,436 | 12,109 | 10,833 |
| Other | 1,079 | 612 | 2,560 | 1,442 |
| **Total revenue** | **137,602** | **104,657** | **257,694** | **211,944** |

## 10 CONSTRUCTION CONTRACTS

The Group's financial position with respect to construction contracts in progress as of 30 June 2018 and 31 December 2017 was as follows:

| | **30 June 2018** | **31 December 2017** |
|---|---|---|
| Construction contracts revenue | 21,644 | 8,997 |
| Less: | | |
| Progress billings | (20,873) | (9,842) |
| Advances from customers, related to construction contracts | (8,162) | (6,594) |
| **Construction contracts liabilities** | **(7,391)** | **(7,439)** |

As of 30 June 2018, construction contracts in progress include the contracts with NOVAENGINEERING, which were intercompany before its deconsolidation (see Notes 3, 4). Construction contracts liabilities are recognized within advances received under project management and construction services in the consolidated interim condensed statement of financial position. Prior to the transition to IFRS 15, the Group separately disclosed advances from customers (for services not yet accepted by customers) and the gross amount due to customers for contract work where progress billings exceeded revenue recognized. Both were recognized within advances received under project management and construction services in the consolidated interim condensed statement of financial position.

**(In millions of Russian roubles, unless otherwise stated)**

## 11 PROPERTY, PLANT AND EQUIPMENT

Movements in the net book value of property, plant and equipment were as follows:

| | Buildings | Facilities | Machinery and equipment | Transport | Assets under construction | Other | Total |
|---|---|---|---|---|---|---|---|
| **Net book value as of 1 January 2017** | **45,600** | **144,065** | **100,852** | **6,649** | **130,854** | **6,982** | **435,002** |
| Depreciation charge | (1,054) | (5,353) | (7,787) | (299) | - | (854) | (15,347) |
| Additions | - | - | - | - | 70,961 | 614 | 71,575 |
| Transfers | 5,365 | 3,731 | 4,253 | 21 | (13,494) | 124 | - |
| Reversal of impairment | 55 | 16 | 120 | - | 4 | 17 | 212 |
| Disposals | (137) | (4) | (112) | (26) | (213) | (142) | (634) |
| Historical cost as of 30 June 2017 | 61,997 | 188,147 | 167,211 | 11,200 | 188,112 | 10,308 | 626,975 |
| Accumulated depreciation | (12,168) | (45,692) | (69,885) | (4,855) | - | (3,567) | (136,167) |
| **Net book value as of 30 June 2017** | **49,829** | **142,455** | **97,326** | **6,345** | **188,112** | **6,741** | **490,808** |
| | | | | | | | |
| **Net book value as of 1 January 2018** | **52,013** | **141,112** | **95,020** | **6,048** | **304,678** | **6,444** | **605,315** |
| Depreciation charge | (1,403) | (5,371) | (7,505) | (251) | - | (695) | (15,225) |
| Additions | - | - | - | - | 91,378 | 4,770 | 96,148 |
| Transfers | 481 | 923 | 1,816 | 78 | (3,455) | 157 | - |
| Reversal of impairment | - | - | - | - | 17 | - | 17 |
| Disposals | (312) | (57) | (239) | - | (94) | (93) | (795) |
| Reclassification to assets held for sale (Note 5) | - | - | - | (4,398) | - | - | (4,398) |
| Historical cost as of 30 June 2018 | 65,512 | 192,840 | 173,018 | 3,387 | 392,524 | 15,784 | 843,065 |
| Accumulated depreciation | (14,733) | (56,233) | (83,926) | (1,910) | - | (5,201) | (162,003) |
| **Net book value as of 30 June 2018** | **50,779** | **136,607** | **89,092** | **1,477** | **392,524** | **10,583** | **681,062** |

For the three-month periods ended 30 June 2018 and 30 June 2017, the Group capitalized borrowing costs of RUB 8,292 and RUB 5,634, respectively, for the six-month periods ended 30 June 2018 and 30 June 2017, the Group capitalized borrowing costs of RUB 12,913 and RUB 7,554, respectively. Borrowing costs included foreign exchange losses from financing activities in the amount of RUB 4,680 and RUB 3,524 for the respective three-month periods and of RUB 6,337 and RUB 3,524 for the respective six-month periods. The annual capitalization rates, excluding the effect of capitalized foreign exchange losses from financing activities, were 5.90 percent and 7.30 percent, respectively.

The Group is implementing ZapSibNeftekhim (“ZapSib”) investment project, construction of the ethylene cracking unit and polymers production units located in Tobolsk, Tyumen Region. The mechanical completion is to be attained by the end of 2019.

(In millions of Russian roubles, unless otherwise stated)

## 12 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

| | 30 June 2018 | 31 December 2017 |
|---|---|---|
| RusVinyl LLC | 19,265 | 19,305 |
| Yuzhno-Priobsky GPP LLC | 6,224 | 6,121 |
| Reliance Sibur Elastomers Private Limited | 3,640 | 3,400 |
| NPP Neftekhimia LLC | 2,664 | 2,583 |
| Sibgazpolimer JSC | 2,461 | 2,263 |
| LNG NOVAENGINEERING LLC | 32 | - |
| SNHK LLC | 1 | 1 |
| **Total investments in joint ventures and associates** | **34,287** | **33,673** |

The Group received dividends from its joint ventures and associates in the amount of RUB 1,107 and RUB 1,273 for the six-month periods ended 30 June 2018 and 30 June 2017, respectively.

***RusVinyl LLC.*** The Group issued two guarantees for RusVinyl LLC, that should achieve the targeted operational performance at the certain date after the launch of the production (Completion date). The expected Completion date is the end of 2019. In addition to the guarantees the Group pledged its shares in RusVinyl LLC as a collateral.

As part of the adoption of IFRS 9, the Group has reviewed the terms of the guarantee contracts to determine which of the guarantees are in scope of IFRS 9 and identified that guarantees issued for RusVinyl LLC are out of scope (as performance non-financial guarantees) till project Completion date and they continue to be assessed in terms of IAS 37 till that date.

As of 30 June 2018 and 31 December 2017, the maximum credit risk exposures due to guarantees issued were RUB 8,028 and RUB 8,093, respectively.

In 2017, the Group issued loan to RusVinyl LLC maturing in 2024 to finance its operating activity. The Group provided loan on an arm's length basis and its ownership share remained unchanged.

Further details were provided in the annual consolidated financial statements as of and for the year ended 31 December 2017.

The table below summarizes information about the Group's investments in joint ventures and associates.

| | | | **Interest held (percent) as of** | |
|---|---|---|---|---|
| | **Country of incorporation and principal business** | **Nature of operations** | **30 June 2018** | **31 December 2017** |
| *Joint Venture:* | | | | |
| RusVinyl LLC | Russia | Polyvinyl chloride production | 50 | 50 |
| Yuzhno-Priobsky GPZ LLC | Russia | Associated petroleum gas processing | 50 | 50 |
| NPP Neftekhimia LLC | Russia | Polypropylene production | 50 | 50 |
| Sibgazpolimer JSC* | Russia | Investments in Omsk polypropylene plant, Poliom LLC (50 percent stake) | 50 | 50 |
| SNHK LLC | Russia | Production of plastics and synthetic resins | 50 | 50 |
| LLC LNG NOVAENGINEERING | Russia | Engineering and design services | 50.1 | - |
| *Associate:* | | | | |
| Reliance Sibur Elastomers Private Limited | India | Butyl rubber production (investment project) | 25 | 25 |

* Special purpose vehicle established for investing in production entities.

The voting and ownership percentage in joint ventures and associates are the same except NOVAENGINEERING.

(In millions of Russian roubles, unless otherwise stated)

## 13 TRADE AND OTHER RECEIVABLES

| | 30 June 2018 | 31 December 2017 |
|---|---|---|
| Trade receivables (net of impairment provisions of RUB 272 and RUB 241 as of 30 June 2018 and 31 December 2017, respectively) | 31,785 | 24,916 |
| Other receivables (net of impairment provisions of RUB 265 and RUB 263 as of 30 June 2018 and 31 December 2017, respectively) | 3,195 | 2,818 |
| **Total trade and other receivables** | **34,980** | **27,734** |
| Less: non-current portion | (3,639) | (2,408) |
| | **31,341** | **25,326** |

As of 30 June 2018 and 31 December 2017, other receivables included the contingent consideration for sale of Portenergo LLC of RUB 774 and RUB 736, respectively.

The fair values of trade and other receivables approximate their carrying values.

## 14 INVENTORIES

| | 30 June 2018 | 31 December 2017 |
|---|---|---|
| Refined products and work in progress | 21,397 | 17,822 |
| Materials and supplies | 16,799 | 11,855 |
| Goods for resale | 1,807 | 2,057 |
| **Total inventories** | **40,003** | **31,734** |

As of 30 June 2018 and 31 December 2017, inventory write-downs amounted to RUB 358 and RUB 357, respectively. No significant reversals of previous inventory write-downs were made during the six-month periods ended 30 June 2018 and 30 June 2017.

## 15 PREPAYMENTS AND OTHER CURRENT ASSETS

| | 30 June 2018 | 31 December 2017 |
|---|---|---|
| **Non-financial assets** | | |
| VAT receivable | 8,888 | 8,818 |
| Prepayments and advances to suppliers | 4,585 | 7,828 |
| Recoverable VAT | 3,830 | 4,077 |
| Prepaid excise | 1,164 | 1,344 |
| Recoverable excise | 761 | 835 |
| Other prepaid taxes and custom duties | 597 | 750 |
| Other current assets | 132 | 224 |
| **Total non-financial assets** | **19,957** | **23,876** |
| **Financial assets** | | |
| Other financial assets | 83 | 209 |
| **Total financial assets** | **83** | **209** |
| **Total prepayments and other current assets** | **20,040** | **24,085** |

## 16 LONG-TERM DEBT EXCLUDING RELATED TO ZAPSIBNEFTEKHIM

| Long-term debt payable to | Currency | Due | 30 June 2018 | 31 December 2017 |
|---|---|---|---|---|
| **Variable rate** | | | | |
| Bank GPB | RUB | 2023 | 22,000 | 22,000 |
| Raiffeisen Bank | USD | 2019-2021 | 12,551 | 5,760 |
| Deutsche Bank | EUR | 2014-2023 | 4,397 | 4,589 |
| NPP Neftekhimia | RUB | 2020 | 525 | 175 |
| ING Bank Group | EUR, USD | 2011-2021 | 413 | 531 |
| UniCredit Bank | EUR | 2013-2019 | 353 | 445 |
| **Fixed rate** | | | | |
| Eurobonds 2023 | USD | 2023 | 31,197 | 28,616 |
| Russian rouble bonds | RUB | 2019-2021 | 30,000 | 30,000 |
| Alfa-Bank | USD | 2019 | 15,689 | 14,400 |
| UniCredit Bank Group | RUB | 2022 | 4,977 | 4,974 |
| Sberbank of Russia | RUB | 2020-2022 | 1,896 | 1,896 |
| Gazprom mezhregiongaz | RUB | 2011-2018 | 233 | 233 |
| Eurobonds 2018 | USD | 2018 | - | 25,528 |
| **Total long-term debt excluding related to ZapSibNeftekhim** | | | **124,231** | **139,147** |
| Less: current portion | | | (1,647) | (27,361) |
| | | | **122,584** | **111,786** |

***Eurobonds 2018.*** The nominal amount of notes outstanding as of 31 December 2017 was USD 443.2 million and it was paid in full in January 2018.

The Group had no subordinated debt and no debts that may be converted into an equity interest in the Group.

The scheduled maturities of long-term debt excluding related to the ZapSib as of 30 June 2018 and 31 December 2017 are presented below:

| | 30 June 2018 | 31 December 2017 |
|---|---|---|
| **Due for repayment:** | | |
| Between one and two years | 43,689 | 25,639 |
| Between two and five years | 47,698 | 35,258 |
| More than five years | 31,197 | 50,889 |
| **Total long-term debt excluding related to ZapSibNeftekhim** | **122,584** | **111,786** |

The carrying amounts of long-term fixed-rate borrowings approximate their fair value as of 30 June 2018 and 31 December 2017, except for those, which fair value is disclosed in Note 26.

The carrying amounts of long-term debts with variable interest rates linked to LIBOR, EURIBOR or the Central Bank of Russia key interest rate approximate their fair value.

As of 30 June 2018 and 31 December 2017, the Group had the following committed long-term credit facilities excluding related to the ZapSib:

| | Credit limit | Undrawn amount |
|---|---|---|
| **As of 30 June 2018** | | |
| EUR-denominated (in millions of EUR) | 215 | 129 |
| USD-denominated (in millions of USD) | 359 | 259 |
| RUB-denominated (in millions of RUB) | 10,000 | 10,000 |
| **As of 31 December 2017** | | |
| USD-denominated (in millions of USD) | 349 | 249 |
| RUB-denominated (in millions of RUB) | 6,000 | 6,000 |

As of 30 June 2018 and 31 December 2017, the total rouble equivalent of the Group's undrawn committed long-term credit facilities excluding related to the ZapSib was RUB 35,693 and RUB 20,320, respectively.

## 17 LONG-TERM ZAPSIBNEFTEKHIM RELATED DEBT

| Long-term debt payable to | Currency | Due | 30 June 2018 | 31 December 2017 |
|---|---|---|---|---|
| **Variable rate** | | | | |
| National Wealth Fund financing | USD | 2030 | 109,824 | 100,800 |
| Deutsche Bank (ECA financing) | EUR | 2020-2029 | 52,519 | 49,096 |
| ING Bank Group (ECA financing) | EUR | 2013-2029 | 2,029 | 2,246 |
| Citibank (ECA financing) | USD | 2013-2023 | 1,602 | 1,612 |
| **Fixed rate** | | | | |
| Russian Direct Investment Fund | USD | 2018-2020 | 13,179 | 12,096 |
| Credit Agricole (ECA financing) | EUR | 2019-2029 | 12,175 | 7,347 |
| Vnesheconombank | USD | 2021-2025 | 9,972 | - |
| **Total long-term ZapSibNeftekhim related debt** | | | **201,300** | **173,197** |
| Less: current portion | | | (5,976) | (2,485) |
| | | | **195,324** | **170,712** |

The scheduled maturities of long-term ZapSib related debt as of 30 June 2018 and 31 December 2017 are presented below:

| | 30 June 2018 | 31 December 2017 |
|---|---|---|
| **Due for repayment:** | | |
| Between one and two years | 11,482 | 7,382 |
| Between two and five years | 26,868 | 23,078 |
| Between five and ten years | 38,016 | 28,488 |
| More than ten years | 118,958 | 111,764 |
| **Total long-term ZapSibNeftekhim related debt** | **195,324** | **170,712** |

The carrying amounts of long-term fixed-rate borrowings approximate their fair value as of 30 June 2018 and 31 December 2017, except for those, which fair value is disclosed in Note 26.

The carrying amounts of long-term debt with variable interest rates linked to LIBOR, EURIBOR or USA CPI approximate their fair value.

As of 30 June 2018 and 31 December 2017, the Group had the following committed long-term ZapSib related credit facilities:

| | Credit limit | Undrawn amount |
|---|---|---|
| **As of 30 June 2018** | | |
| EUR-denominated (in millions of EUR) | 2,151 | 1,202 |
| USD-denominated (in millions of USD) | 400 | 240 |
| **As of 31 December 2017** | | |
| EUR-denominated (in millions of EUR) | 2,166 | 1,284 |
| USD-denominated (in millions of USD) | 400 | 400 |

As of 30 June 2018 and 31 December 2017, the total rouble equivalent of the Group's undrawn committed long-term ZapSib related credit facilities was RUB 102,829 and RUB 111,495, respectively.

Total Group's long-term debt both including and excluding related to the ZapSib bore the following weighted average interest rates: RUB-denominated of 9.1 percent and 9.3 percent as of 30 June 2018 and 31 December 2017, respectively; USD-denominated of 4.0 percent as of 30 June 2018 and 31 December 2017, respectively; and EUR-denominated of 1.2 percent as of 30 June 2018 and 31 December 2017, respectively.

(In millions of Russian roubles, unless otherwise stated)

## 18 DEFERRED INCOME FROM GRANTS AND SUBSIDIES

| | 2018 | 2017 |
|---|---|---|
| **Deferred income from grants and subsidies as of 1 January** | **48,720** | **41,082** |
| Grants and subsidies received | 2,420 | - |
| Recognized in profit or loss (depreciation) | (1,735) | (1,665) |
| **Deferred income from grants and subsidies as of 30 June** | **49,405** | **39,417** |

## 19 OTHER NON-CURRENT LIABILITIES

| | 30 June 2018 | 31 December 2017 |
|---|---|---|
| **Financial liabilities** | | |
| Payables for acquisition of subsidiaries | 3,942 | 5,792 |
| Payables under accommodation program | 2,421 | 2,278 |
| Trade payables | 2,316 | 1,137 |
| Accounts payable to contractors and suppliers of property, plant and equipment | 163 | 2,778 |
| Other liabilities | 1 | 6 |
| **Total financial non-current liabilities** | **8,843** | **11,991** |
| **Non-financial liabilities** | | |
| Post-employment obligations | 2,401 | 2,401 |
| Payables to employees | 2,117 | 2,181 |
| Advances received | 91 | 2 |
| **Total non-financial non-current liabilities** | **4,609** | **4,584** |
| **Total other non-current liabilities** | **13,452** | **16,575** |

As of 30 June 2018 and 31 December 2017, payables for the acquisition of subsidiaries included payables for the acquisition of Tobolsk HPP LLC of RUB 3,889 and RUB 4,674, respectively, and JSC Polief of RUB nil and RUB 1,060, respectively.

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

## 20 TRADE AND OTHER PAYABLES

| | 30 June 2018 | 31 December 2017 |
|---|---|---|
| **Financial liabilities** | | |
| Accounts payable to contractors and suppliers of property, plant and equipment | 45,681 | 41,009 |
| Trade payables | 37,852 | 34,711 |
| Payables for acquisition of subsidiaries | 3,168 | 2,619 |
| Interest payable | 1,781 | 2,087 |
| Other payables | 658 | 514 |
| **Total financial trade and other payables** | **89,140** | **80,940** |
| **Non-financial liabilities** | | |
| Payables to employees | 8,416 | 7,948 |
| Advances from customers | 5,936 | 5,163 |
| Other payables | 1,240 | 1,309 |
| **Total non-financial trade and other payables** | **15,592** | **14,420** |
| **Total trade and other payables** | **104,732** | **95,360** |

As of 30 June 2018 and 31 December 2017, payables for the acquisition of subsidiaries included payables for the acquisition of Tobolsk HPP LLC of RUB 2,055 and RUB 1,881, respectively, and JSC Polief of RUB 1,104 and RUB 738, respectively.

As of 30 June 2018 and 31 December 2017, payables to employees included provisions for annual and other bonuses, vacation accruals (including provision for social taxes) of RUB 7,159 and RUB 7,948, respectively.

**(In millions of Russian roubles, unless otherwise stated)**

## 21 TAXES OTHER THAN INCOME TAX PAYABLE

| | 30 June 2018 | 31 December 2017 |
|---|---|---|
| VAT | 5,277 | 6,918 |
| Property tax | 1,119 | 919 |
| Social taxes | 625 | 620 |
| Other taxes | 406 | 93 |
| **Total taxes other than income tax payable** | **7,427** | **8,550** |

## 22 SHAREHOLDERS' EQUITY

As of 30 June 2018 and 31 December 2017, the Group didn't have direct parent company and an ultimate controlling shareholder.

***Earnings per share.*** There were no events that would trigger dilution of earnings per share for the six-month periods ended 30 June 2018 and 30 June 2017.

***Dividends.*** Dividends in the amount of RUB 14,705 and RUB 9,367 were paid during the six-month periods ended 30 June 2018 and 30 June 2017, respectively.

During the six-month period ended 30 June 2018 the Group's subsidiary NIPIGAS distributed dividends for 2017 financial year.

## 23 INCOME TAX

For the six-month periods ended 30 June 2018 and 30 June 2017, the Group accrued current income tax of RUB 12,199 and RUB 14,229, respectively.

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year adjusted for non-recurring items.

In April 2018, the Group's subsidiaries Belozerny Gas Processing Complex LLC, Nizhnevartovsky Gas Processing Complex LLC and Nyagangazpererabotka LLC merged with JSC SiburTyumenGaz. The merger led to net off the deferred income tax assets and liabilities in the amount of RUB 3 billion.

**(In millions of Russian roubles, unless otherwise stated)**

## 24 CASH GENERATED FROM OPERATIONS AND NET DEBT RECONCILIATION

| Notes | | Six months ended 30 June 2018 | 2017 |
|---|---|---|---|
| | **Profit before income tax** | **59,322** | **81,297** |
| | **Adjustments to profit before income tax** | | |
| 7 | Depreciation and amortization | 17,595 | 17,530 |
| | Foreign exchange loss/(gain) from investing and financing activities, net | 11,630 | (5,998) |
| 8 | Unwinding of discount on non-current accounts payable | 651 | 551 |
| 8 | Interest expense | 494 | 4,167 |
| | Accrual of provision for legal cases | 192 | - |
| 7 | Loss on disposal of property, plant and equipment | 131 | 113 |
| 8 | Bank commissions | 25 | 567 |
| 13 | Impairment of trade and other receivables | 6 | 31 |
| 8 | Gain on the loan release | - | (1,384) |
| 4 | Gain on disposal of subsidiary | - | (19,805) |
| 7 | Reversal of impairment of property, plant and equipment | (17) | (212) |
| 8 | Unwinding of discount on loans receivable and non-current accounts receivable | (49) | (62) |
| 8 | Interest income | (615) | (1,133) |
| 19, 20 | Change in provision for bonuses | (806) | (447) |
| 12 | Share of net income of joint ventures and associates | (1,462) | (529) |
| | Other adjustments | (53) | (355) |
| | **Operating cash flows before working capital changes** | **87,044** | **74,331** |
| | **Changes in working capital** | | |
| | Increase in advances received under project management and construction services | 28,258 | 9,660 |
| | Increase in trade and other payables | 7,449 | 3,402 |
| | Decrease in taxes payable | (1,238) | (117) |
| | Increase in trade and other receivables | (7,356) | (679) |
| | Decrease in prepayments and other current assets | 3,903 | 409 |
| | Increase in inventories | (7,148) | (1,875) |
| | Increase in advances issued under project management and construction services | (29,469) | (9,792) |
| | **Total changes in working capital** | **(5,601)** | **1,008** |
| | **Cash generated from operating activities before income tax** | **81,443** | **75,339** |
| | Income tax paid | (10,798) | (12,048) |
| | **Net cash from operating activities** | **70,645** | **63,291** |

For the six-month periods ended 30 June 2018 and 30 June 2017, the reconciliation of net debt was as follows:

| | Cash and cash equivalents | Long-term and short-term debt | Net debt |
|---|---|---|---|
| **As of 1 January 2017** | **60,635** | **(341,813)** | **(281,178)** |
| Cash flows | (19,055) | 36,382 | 17,327 |
| Foreign exchange adjustments | (364) | 2,709 | 2,345 |
| Other non-cash movements | - | 323 | 323 |
| **As of 30 June 2017** | **41,216** | **(302,399)** | **(261,183)** |
| | | | |
| **As of 1 January 2018** | **48,456** | **(312,344)** | **(263,888)** |
| Cash flows | (26,342) | 5,485 | (20,857) |
| Foreign exchange adjustments | 1,668 | (18,729) | (17,061) |
| Other non-cash movements | - | 57 | 57 |
| **As of 30 June 2018** | **23,782** | **(325,531)** | **(301,749)** |

**(In millions of Russian roubles, unless otherwise stated)**

## 25 RELATED PARTIES

For the purposes of this consolidated interim condensed financial information, parties are generally considered to be related if the party is part of the Group's key management or the Board of Directors; the party has the ability to control or jointly control the other party; both parties are under common control; or one party can exercise significant influence over the other party in the financial and operational decision-making process. In considering each possible related-party relationship, the Group's management pays attention to the substance of the relationship, and not merely the entities' legal form. Also, management applies judgement to decide whether party could exercise significant influence over the Group, considering not merely percentage of shareholding in the Group and governing bodies representation, but actual ability and participation in the Group's decision making.

Related parties may enter into transactions that unrelated parties may not enter into, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The nature of the related-party relationships for those related parties with whom the Group entered into significant transactions during the six-month periods ended 30 June 2018 and 30 June 2017, or had significant balances outstanding as of 30 June 2018 and 31 December 2017, are presented below.

### a) Significant transactions with parties under the control or joint control of PROMSTROI GROUP

PROMSTROI-GROUP JSC, jointly with its subsidiaries ("PROMSTROI GROUP"), is one of the providers of construction services to the Group. In 2016, the Company and PROMSTROI GROUP signed a strategic partnership agreement aimed to develop a reliable local provider of construction services by the way of a) monitoring operational and financial performance of PROMSTROI GROUP on a long-term basis; b) jointly participating in the construction business opportunities as a local EPC contractor by combining an engineering and construction expertise of NIPIGAS and PROMSTROI GROUP. In 2016-2017, as the first step of the partnership agreement's realization several Group's representatives were appointed to the governing bodies of PROMSTROI GROUP under an agreement between PROMSTROI-GROUP JSC and the Group on the conditions of reimbursement of the Group's costs.

Further in January 2018, the Group's representatives got the positions of the Chief Executive Officer and the Chairman of the Board of Directors of PROMSTROI GROUP. Thus, the management of the Group has made a judgment that since 2018 the Group is able to exercise a significant influence over PROMSTROI GROUP and treated it as a related party in this consolidated interim condensed financial information.

The Group had the following transactions with PROMSTROI GROUP for the reporting periods ended 30 June 2018:

| | Three months ended 30 June 2018 | Six months ended 30 June 2018 |
|---|---|---|
| **Operating and investing activities** | | |
| Purchases of construction services | (4,574) | (6,843) |
| Sales of materials | 15 | 80 |

(In millions of Russian roubles, unless otherwise stated)

## 25 RELATED PARTIES (CONTINUED)

As of 30 June 2018, the Group had the following balances with PROMSTROI GROUP:

| | 30 June 2018 |
|---|---|
| Advances and prepayments for capital construction | 3,881 |
| Trade and other payables | 1,459 |
| Prepayments and advances to suppliers | 661 |
| Accounts payable to contractors and suppliers of property, plant and equipment | 551 |
| Trade and other receivables | 155 |

### b) Remuneration of directors and key management

In January – March 2018 the Company's Board of Directors comprised eleven individuals and since April 2018 comprised twelve individuals (during the six-month period ended 30 June 2017, comprised of eleven individuals), including shareholder representatives. Members of the Board of Directors are entitled to annual compensation, as approved by the Annual General Shareholders' Meeting.

During the three-month periods ended 30 June 2018 and 30 June 2017, the Company accrued RUB 31 and RUB 24, respectively, during the six-month periods ended 30 June 2018 and 30 June 2017, the Company accrued RUB 56 and RUB 49 net of social taxes, respectively, to Board of Directors members as part of their compensation for the years 2018 and 2017.

During the six-month period ended 30 June 2018, the number of key management personnel comprised 16 individuals. In January 2017, the number of key management personnel comprised 16 individuals and since February 2017 comprised 15 individuals. Key management personnel is entitled to salaries, bonuses, voluntary medical insurance and other employee benefits. Remuneration of key management personnel is determined by the terms set out in the relevant employment contracts and is substantially linked to the financial performance of the Group. Remuneration of key management personnel amounted to RUB 531 and RUB 439 net of social taxes for the three-month periods ended 30 June 2018 and 30 June 2017 respectively, and RUB 942 and RUB 689 net of social taxes for the six-month periods ended 30 June 2018 and 30 June 2017, respectively.

### c) Joint ventures

The Group had the following transactions with its joint ventures for the reporting periods ended 30 June 2018 and 30 June 2017:

| | Three months ended 30 June | | Six months ended 30 June | |
|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 |
| **Operating and investing activities** | | | | |
| Purchases of materials, goods and services | (2,612) | (1,261) | (4,923) | (2,403) |
| Purchases of processing services | (230) | (210) | (457) | (513) |
| Sales of materials, goods and services | 2,614 | 1,919 | 5,156 | 3,975 |

As of 30 June 2018 and 31 December 2017, the Group had the following balances with its joint ventures:

| | 30 June 2018 | 31 December 2017 |
|---|---|---|
| Trade and other receivables | 577 | 702 |
| Loans receivable | 1,682 | 1,507 |
| Trade and other payables | 2,471 | 2,322 |
| Long-term debt | 525 | 175 |

## 25 RELATED PARTIES (CONTINUED)

The Group provided and received loans to and from its joint ventures on the market terms.

The Group has several agency arrangements with its joint ventures under which the Group is providing marketing, selling, construction management and procurement services. The agent remuneration earned by the Group under the agency arrangements is included in sales of materials line. The balances outstanding under the agency arrangements are included into trade and other payables and receivables lines.

## 26 FAIR VALUE OF FINANCIAL INSTRUMENTS

### Recurring fair value measurements

Recurring fair value measurements are those that are required or permitted under the relevant accounting standards in the consolidated statement of financial position at the end of each reporting period.

### a) Financial instruments carried at fair value

***Contingent and deferred considerations for the purchase of Tobolsk HPP LLC.*** In February 2016, the Group recognized a contingent consideration in the amount of RUB 585 as a financial liability within other non-current liabilities in the consolidated statement of financial position as a part of the total purchase consideration for the acquisition of its subsidiary Tobolsk HPP LLC ("Tobolsk HPP").

Also, the Company should reimburse for all Tobolsk HPP cash inflows under its capacity supply contracts, which are specific to this industry revenue stream, guaranteed by the legislation of the Russian Federation, as the recovery of capital investments. Such reimbursements are payable on a monthly basis from the date of acquisition until 2020. During the three-month periods ended 30 June 2018 and 30 June 2017, the Company reimbursed cash inflows under its capacity supply contracts in the amount of RUB 492 and RUB 517, respectively, during the six-month periods ended 30 June 2018 and 30 June 2017, the Company reimbursed cash inflows under its capacity supply contracts in the amount of RUB 1,069 and RUB 1,090, respectively.

The fair value of these financial instruments was determined using Level 3 measurements. For contingent consideration the sum of potential outcomes determined for different scenarios in which the Group realises synergies from integrating Tobolsk HPP into its production site infrastructure in Tobolsk, multiplied by the probability of each scenario. As of 30 June 2018 and 31 December 2017, the fair value of this contingent consideration was assessed as RUB 1,944 and RUB 1,818, respectively. The fair value of liability under capacity supply contracts was assessed based on the estimated future cash flows under the relevant capacity supply contracts discounted by the market interest rate for similar type of liabilities and amounting to RUB 4,000 and RUB 4,737 as of 30 June 2018 and 31 December 2017, respectively. The unwinding of discount on these liabilities amounting to RUB 209 and RUB 227 was recognized as a financial expense in the consolidated interim condensed statement of profit or loss for the three-month periods ended 30 June 2018 and 30 June 2017, respectively, and RUB 422 and RUB 466 was recognized as a financial expense in the consolidated interim condensed statement of profit or loss for the six-month periods ended 30 June 2018 and 30 June 2017, respectively.

**(In millions of Russian roubles, unless otherwise stated)**

## 26 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

### b) Assets and liabilities not measured at fair value but for which fair value is disclosed

***Liabilities carried at amortised cost***. As of 30 June 2018 and 31 December 2017, the fair value of the Eurobonds 2023 (see Note 16) was RUB 30,361 and RUB 28,945, respectively. As of 31 December 2017, the fair value of the Eurobonds 2018 (see Note 16) was RUB 25,736. It was calculated based on Level 1 measurements such as quoted market prices. The fair values of other long-term and short-term debt carried at amortised cost were determined using valuation techniques. The estimated fair value of variable interest rate instruments linked to LIBOR, EURIBOR, USA CPI or the Central Bank of Russia key interest rate with stated maturity was estimated based on Level 2 measurements as expected cash flows discounted at current LIBOR, EURIBOR, USA CPI or the Central Bank of Russia key interest rate increased by the margin stipulated by the corresponding loan agreement. The estimated fair value of fixed interest rate instruments with stated maturity was estimated based on Level 3 measurements as expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity. As of 30 June 2018 and 31 December 2017, the fair value of the Russian rouble bonds with maturity date 26 March 2021 (see Note 16) was RUB 10,824 and RUB 10,729, respectively. As of 30 June 2018, the fair value of the Russian rouble bonds with maturity date 30 March 2020 (see Note 16) was RUB 10,737. As of 30 June 2018, the fair value of the Russian rouble bonds with maturity date 05 August 2019 (see Note 16) was RUB 10,733. As of 30 June 2018 and 31 December 2017, the fair value of Credit Agricole Loan (see Note 17) was RUB 13,378 and RUB 8,107, respectively.

***Other financial assets and liabilities.*** The carrying amounts of other financial assets and liabilities in the consolidated interim condensed statement of financial position approximate their fair value, as determined based on Level 3 measurements.

## 27 COMMITMENTS, CONTINGENCIES AND OPERATING RISKS

There were no significant changes to the operating environment, in which the Group operates, legal and tax risks the Group is subject for, environmental and social commitments compared to those disclosed in the annual consolidated financial statements as of and for the year ended 31 December 2017.

***Compliance with covenants.*** The Group is subject to certain covenants primarily related to its debt. Non-compliance with such covenants may result in negative consequences for the Group, i.e. increased borrowing costs. Management believes that the Group is in compliance with its covenants.

***Operating lease commitments.*** The Group's operating lease commitments as of 30 June 2018 and 31 December 2017 were as follows:

| | **30 June 2018** | **31 December 2017** |
|---|---|---|
| Less than 1 year | 9,921 | 10,254 |
| From 1 year to 5 years | 20,269 | 23,368 |
| More than 5 years | 577 | 1,218 |
| **Total operating lease commitments** | **30,767** | **34,840** |

The majority of the Group's lease contracts are for rail cars and shipping vessels that the Group uses to transport its produced goods to customers. Related expenses are accounted as transportation and logistics within operating expenses in the consolidated interim condensed statement of profit or loss.

## 27 COMMITMENTS, CONTINGENCIES AND OPERATING RISKS (CONTINUED)

***Capital commitments.*** The Group has entered into contracts for the purchase of property, plant and equipment and construction services. As of 30 June 2018, the Group had contractual capital expenditure commitments of RUB 143,725, including RUB 135,496 related to the ZapSib (as of 31 December 2017: RUB 182,913, including RUB 174,855 related to the ZapSib), calculated as the contractual amount of construction contracts less cash paid under these contracts. The capital commitments should not be considered as binding since they can be cancelled on the sole management's decision without any significant losses for the Group, except those liabilities, which were already recognized in the consolidated interim condensed statement of financial position.

## 28 NEW ACCOUNTING DEVELOPMENTS

Certain new standards and interpretations have been issued that are mandatory for annual periods beginning on or after 1 January 2018 or later, which have not had a material impact on the Group's financial position or operations:

- Amendments to IFRS 2 "Share-based Payment" (issued on 20 June 2016 and effective for annual periods beginning on or after 1 January 2018);
- Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts" - Amendments to IFRS 4 (issued on 12 September 2016 and effective, depending on the approach, for annual periods beginning on or after 1 January 2018 for entities that choose to apply temporary exemption option, or when the entity first applies IFRS 9 for entities that choose to apply the overlay approach);
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018);
- Annual Improvements to IFRSs 2014-2016 cycle (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018 for amendments to IFRS 1 and IAS 28);
- Transfers of Investment Property – Amendments to IAS 40 (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018).

The Group is considering the implications of the following amendments, the impact on the Group and the timing of their adoption by the Group:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).
- IFRS 16 "Leases" (issued on 13 January 2016 and effective for annual periods beginning on or after 1 January 2019);
- IFRS 17 "Insurance Contracts" (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2021);
- IFRIC 23 "Uncertainty over Income Tax Treatments" (issued on 7 June 2017 and effective for annual periods beginning on or after 1 January 2019);
- Prepayment Features with Negative Compensation – Amendments to IFRS 9 (issued on 12 October 2017 and effective for annual periods beginning on or after 1 January 2019);
- Long-term Interests in Associates and Joint Ventures - Amendments to IAS 28 (issued on 12 October 2017 and effective for annual periods beginnig on or after 1 January 2019);

## 28 NEW ACCOUNTING DEVELOPMENTS (CONTINUED)

- Annual Improvements to IFRSs 2015-2017 cycle - amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 (issued on 12 December 2017 and effective for annual periods beginning on or after 1 January 2019);
- Plan Amendment, Curtailment or Settlement - Amendments to IAS 19 (issued on 7 February 2018 and effective for annual periods beginning on or after 1 January 2019).

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