



"Latvijas Gāze" Joint Stock Company

Unaudited Financial Report of 3 months of 2014

Prepared in accordance with the International Financial Reporting Standards

Riga, 2014






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Information on the Company

Name of the Company	JSC Latvijas Gāze
Legal status of the Company	Joint Stock Company
Registration number, venue and date	000300064 Riga, March 25, 1991
	Reregistered in the Commercial Register December 20, 2004 with common registration No 40003000642
Address	Vagonu Street 20 Riga, LV – 1009 Latvia
Major shareholders	E.ON Ruhrgas International GmbH (47.2 %) Gazprom OJSC (34.0 %) ITERA Latvija LLC (16.0 %)
Reporting period	January 1 – March 31, 2014

Board members (term of office of the Board – August 16, 2012 to August 16, 2015, for Mario Nullmeier term is January 1, 2014 to December 31, 2016) - names, surnames, posts, recent professional experience and education

	<p>Adrians Dāvis – Chairman of the Board</p> <p>Since 1997 – Chairman of the Board of the JSC “Latvijas Gāze”; involved in gas industry since 1965</p> <p>1997 Physical Energy Institute of Latvian Science Academy, academic degree of doctor in engineering (Dr.sc.ing.).</p>		<p>Alexander Miheyev (Александр Михеев) – Board member, Vice-Chairman of the Board</p> <p>Since 2003 First Deputy Head of the Marketing, Gas and Liquid Hydrocarbon Processing Department of the OJSC Gazprom; involved in gas industry since 1968</p> <p>1968 Graduated from the Moscow Oil and Gas Industry Institute named after I. M. Gubkin and obtained the qualifications of engineer in design and operation of oil and gas pipelines, gas storage facilities and oil tanks</p>
	<p>Mario Nullmeier – Board member, Vice-Chairman of the Board</p> <p>Since 2005 Head of the Baltic Office of E.ON Ruhrgas International AG in Tallinn, Estonia</p> <p>2000 Master Degree in Global Business Administration</p>		<p>Anda Ulpe – Board member</p> <p>Since 1997 Board member of the JSC “Latvijas Gāze”; involved in gas industry since 1984</p> <p>2002 the University of Latvia, Master Degree of Social Sciences in Economics</p>
	<p>Gints Freibergs – Board member</p> <p>Since 1997 Board member of the JSC “Latvijas Gāze”; involved in gas industry since 1984</p> <p>1984 Polytechnical Institute of Riga, engineer in industrial heat power</p>	<p>Names, surnames and posts of Council members (before January 1, 2014)</p>	<p>Adrians Dāvis – Chairman of the Board Alexander Miheyev (Александр Михеев) – Board member, Vice-Chairman of the Board Jörg Tumat - Board member, Vice-Chairman of the Board Anda Ulpe - Board member Gints Freibergs - Board member</p>

JSC “Latvijas Gāze”
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Council members (term of office of the Council - January 1, 2014 to December 31, 2016) – names, surnames, posts, recent professional experience and education

	<p>Kirill Seleznev (Кирилл Селезнев) – Chairman of the Council</p> <p>Since March 20, 2003 Head of the Gas and Liquid Hydrocarbon Sales and Processing Department, OJSC Gazprom; Member of Management Committee, OJSC Gazprom</p> <p>1997 Graduated from Baltic State Technical University of St. Petersburg named after D. F. Ustinov – Engineering of Impulse Devices and Automated Rotation Lines</p> <p>2002 Graduated from St. Petersburg State University – Credit Theory and Finance Management</p>		<p>Juris Savickis – Vice-Chairman of the Council</p> <p>Since 1996 LLC “ITERA Latvija”, president</p> <p>1970 – 1972 Polytechnical Institute of Riga, Graduate school</p> <p>1983 - 1984 University of Qualification Raising for Executives, Faculty of International Relations</p>
	<p>Achim Saul - Vice-Chairman of the Council</p> <p>Since May 2013 CEO Essen Operations, E.ON Global Commodities SE; Chairman of the Management Board, E.ON Ruhrgas International GmbH</p> <p>2012 – 2013 Member of the Board of Management, E.ON Ruhrgas AG</p> <p>Degree of doctor in Engineering</p>		<p>Matthias Kohlenbach – Council member</p> <p>Since July 2012 Member of the Board of Management of E.ON Ruhrgas International GmbH</p> <p>2009 – 2012 Head of Corporate Law Department of E.ON Ruhrgas</p> <p>Degree of doctor in Law</p>
	<p>Jörg Tumat - Council member</p> <p>Since 2013 Member of the Board of E.ON Russia</p> <p>2006 – 2013 Member of the Board, Vice-chairman of the Board of JSC „Latvijas Gāze”</p> <p>2001 – 2004 the University of Hagen, Diploma in Business Administration (Dipl.-Betriebswirt)</p>		<p>Uwe H. Fip – Council member</p> <p>Since 2002 E.ON Ruhrgas AG – Senior Vice-President, Head of Eastern Department of Gas Supplies</p> <p>Master in Oil Engineering, Degree in Business Management (Diploma – Merchant)</p>
	<p>Rainer Link – Council member</p> <p>Since 2013 Member of the Management Board of Essen Operations, E.ON Global Commodities SE, Germany</p> <p>Member of the Management Board of E.ON Ruhrgas International GmbH, Germany</p> <p>Since 2012 Member of the Management Board of E.ON Ruhrgas Portfolio GmbH, Germany</p> <p>2012 – 2013 Head of Portfolio Development Division, E.ON Ruhrgas AG, Germany</p> <p>Degree of doctor in Economics</p>		<p>Vlada Rusakova (Влада Русакова) – Council member</p> <p>Since 2013 Vice president of OJSC Rosneft, Head of gas business development department</p> <p>2003-2012 Board member of the OJSC Gazprom</p> <p>1977 Graduated from the Moscow Oil and Gas Industry Institute named after I. M. Gubkin and obtained the qualifications of engineer in design, planning and operation of oil and gas pipelines, gas storage facilities and oil tanks</p>
	<p>Nikolay Dubik (Николай Дубик) – Council member</p> <p>Since 2008 Member of Management Committee of JSC “Gazprom”, Head of legal Department</p> <p>MBA degree at the Academy of National Economy under the Russian Federation Government</p> <p>Graduated from Lomonosov Moscow State University in majoring law</p>		<p>Elena Karpel (Елена Карпель) – Council member</p> <p>Since 2004 Gazprom’s Council Member by the resolution of the Company’s Shareholders’ Meeting</p> <p>1968 Korotchenko Kiev Institute of National Economy getting specialty in Industry Planning</p>
	<p>Elena Mikhaylova (Елена Михайлова) - Council member</p> <p>Since 2012 Member of the Gazprom Management Committee, Head of the Asset Management and Corporate Relations Department of Gazprom</p> <p>2011 – 2012 Head of the Asset Management and Corporate Relations Department of Gazprom</p> <p>MBA degree at the Academy of National Economy under the Russian Federation Government</p> <p>Law degree at the Moscow State Industrial University</p>	<p>Names, surnames and posts of Council members (before January 1, 2014)</p>	<p>Kirill Seleznev (Кирилл Селезнев) – Chairman of the Council</p> <p>Juris Savickis – Vice-Chairman of the Council</p> <p>Achim Saul - Vice-Chairman of the Council</p> <p>Matthias Kohlenbach – Council member</p> <p>Rainer Link – Council member</p> <p>Mario Nullmeier – Council member</p> <p>Uwe H. Fip – Council member</p> <p>Vlada Rusakova (Влада Русакова) – Council member</p> <p>Nikolay Dubik (Николай Дубик) – Council member</p> <p>Elena Karpel (Елена Карпель) – Council member</p> <p>Elena Mikhaylova (Елена Михайлова) – Council member</p>

Report of the Board of Directors

The Joint Stock Company "Latvijas Gāze" (hereinafter – the Company) is the only natural gas transmission, storage, distribution and sale operator in Latvia. The company supplies natural gas to 442.6 thousand customers in Latvia, and in winter – also to Estonia, the Northwestern part of Russia and Lithuania from the Inčukalns Underground Gas Storage Facility (hereinafter – Inčukalns UGS).

The goal of the Company is to strengthen its leading position in the fuel market of Latvia by enhancing the accessibility of natural gas, facilitating the diversity of its consumption and ensuring for consumers in Latvia one of the most stable supplies in Europe.

The vision of the Company is to make Latvia one of the largest natural gas storage hubs in Europe by using the unique geological structures of our country.

The mission of the Company is to contribute to the economy of the Baltic region by ensuring the security of energy supplies, the development of the industry and the competitiveness of prices.

The underlying principles of financial activity of the Company are as follows:

- investments in modernization of the infrastructure related to natural gas supply stability and security;
- investments in the development of infrastructure and the quality of service;
- competitive price of natural gas and services;
- profit that enables the company to make investments and pay dividends in compliance with the international natural gas industry practice. Such amount of profit is regulated by the Public Utility Commission of the Republic of Latvia by setting the level of capital return (currently the capital return is set to 8.0 % of the regulated asset basis).

1. Operation of the Company in the reporting period

In 3 months of the year 2014, the Company sold to the consumers 489.0 million m³ of natural gas. In comparison with the respective period of 2013, the natural gas sales decreased by 21.8 % due to the differences in outdoor air temperature and investments by heat supply companies in the use of renewable energy resources and a partial replacement of fossil fuels with woodchip.

The natural gas withdrawal season in the 1st half of 2014 will be longer than planned because due to urgent repairs on the gas transmission pipeline Torzhok-Valdai a natural gas feed from the Inčukalns UGS will be necessary till mid-May. In previous years, the injection of natural gas into the Inčukalns UGS began in mid-April. Despite the delay of the injection season, the Inčukalns UGS will be filled, as this year, due to the mild winter, the volume of gas to be injected is lower.

Over 3 months of 2014, the consumers were sold natural gas and provided services for EUR 186.8 million, which is by 25,4 % less than in the respective period of 2013.

The decrease of income year-on-year stems from the lower natural gas sales volume and fact that during 3 months of 2014, due to changes in oil product quotations and currency rates, the residential and industrial customers were applied differential natural gas sale end-user tariffs corresponding to a natural gas sale price 8.1% below that of the 3 months of 2013. The income saw decrease both in the industrial and household sector.

The Company completed 3 months of 2014 with a profit of EUR 5.2 million, which is 14.8% lower than in the respective period 2013 when the Company profited EUR 6.1 million.

Within the framework of the capital investment programme, EUR 4.0 million of investment funds was spent over 3 months of 2014, mostly on the renovation of gas transmission and distribution pipelines.

Report of the Board of Directors (continued)

1. Operation of the Company in the reporting period (continued)

The key indices of the Company:

	2014 Q1	2013 Q1	2012 Q1
	EUR'000	EUR'000	EUR'000
Net turnover	186 812	250 479	253 311
Profit before income tax, interest payments, depreciation and amortization (EBITDA)	18 025	19 807	28 521
Profit before income tax, interest payments, depreciation and amortization to net turnover (EBITDA %)	9.65	7.91	11.26
Profit of operational activity	9 632	11 482	11 531
Profitability of operational activity (%)	5.16	4.58	4.55
Profit of reporting period	5 179	6 092	5 602
Commercial profitability (%)	2.77	2.43	2.21
Total liquidity	1.92	2.42	2.45
Total assets	857 594	799 956	799 822
Equity	613 979	613 387	616 307
Return on assets (ROA), %	0.62	0.76	0.75
Return on equity (ROE), %	0.84	0.99	1.01
Number of shares	39 900	39 900	39 900
	EUR	EUR	EUR
Profit per share	0.130	0.153	0.140
P/E	72.11	58.72	63.31
BV	15.39	15.37	15.45
P/BV	0.61	0.58	0.58
Share price at the end of the period	9.360	8.964	8.889

2. Research and development

In order to ensure a continuous natural gas supply to the customers and a safe operation of the gas supply system, the Company has developed the “Plan of measures for improvement of gas supply system safety of Joint Stock Company “Latvijas Gāze” in 2010 to 2015”. It has been drawn up on the basis of opinions of the Russian companies “Gazobezopasnostj” and “Ļentransgaz”, the institutes “VNIIGAZ” and “Giprospepgaz”, as well as the German companies “Pipeline Engineering GmbH”, “Untergrundspeicher und Geotechnologie – Systeme GmbH”, “E.ON Engineering GmbH”, “E.ON Ruhrgas International AG” and other partners regarding the technical condition of equipment and the modernization options. The plan of measures envisages investments in the improvement of safety in the total amount of EUR 72.0 million.

In 2011, the OJSC “Gazprom VNIIGAZ” drew up a concept of the modernization and improvement of operation safety of technological equipment at the Inčukalns UGS till 2025. The concept features two development scenarios – with and without an increase of the capacity of natural gas storage. The projected costs are EUR 360 million and EUR 190 million respectively. Based on this document, the Company prepared a project "Modernization and expansion of Inčukalns UGS" and together with the JSC "Lietuvos Dujos" – a project "Increase of capacity of Latvian-Lithuanian interconnection”.

Report of the Board of Directors (continued)

2. Research and development

Both were submitted to the European Commission for inclusion in the European list of common interest projects, as stipulated by the Infrastructure Regulation.

Both projects are featured in the initial list of projects of common European interest.

3. International cooperation

In 2014, the Company continued to prepare additional information and to update calculations for the document package submitted in October 2013 to the Latvian, Estonian, Lithuanian and Finnish regulatory bodies concerning the project of modernization and expansion of the Inčukalns UGS for making a cross-border investment decision as required under Regulation No.347/2013 on guidelines for Trans-European energy infrastructure. This decision is one of the preconditions for submitting the project to the European Commission for funding.

Given the Finnish regulator’s opinion, the project application was updated to include only the first stage of modernization of the Inčukalns UGS. This stage is estimated to cost EUR 89.7 million and targets an increase of the daily natural gas withdrawal capacity from 30 million m³ to 32 million m³ in 2020.

The Latvian and Lithuanian regulators have supported the project. According to the information submitted, the Latvian and Lithuanian natural gas transmission operators will have to cover EUR 5.61 million and EUR 6.88 million respectively. During further stages, following a decision on the construction of an Estonian-Finnish interconnection, Finland might join the project.

The European Commission will decide on funding the project in compliance with the Regulation of the European Parliament and of the Council establishing the Connecting Europe Facility adopted in December 2013. The first round of submission of project funding applications for merchants begins in May 2014.

As the preparation for the European Union’s multi-annual budget of 2014-2020 began, a new procedure for the establishment and funding of energy infrastructure of European importance was introduced. In April 2013, a regulation of the European Parliament and of the Council on guidelines for Trans-European energy infrastructure was adopted. It requires merchants developing common-interest infrastructure projects across multiple countries to submit information on the allocation of investment costs to the regulators of those countries. The regulators concerned are required to make coordinated decisions within six months. The further course of the projects lies with the merchants involved.

4. Shares and shareholders

The composition of shareholders of the Company¹ as of December 31, 2013 and previous 2 periods:

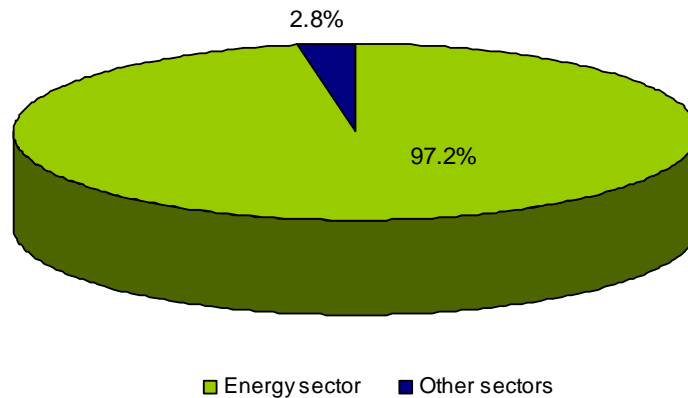
Share	31.12.2013.	31.12.2012.	31.12.2011.
“E.ON Ruhrgas International” GmbH	47.2%	47.2%	47.2%
“Gazprom” OJSC	34.0%	34.0%	34.0%
“Itera Latvija” LLC	16.0%	16.0%	16.0%
Others	2.8%	2.8%	2.8%
TOTAL	100.0 %	100.0 %	100.0 %

¹ Shareholders owning at least 5 % of capital

Report of the Board of Directors (continued)

4. Shares and shareholders

The composition of shareholders of the Company as to the industries they represent as of December 31, 2013:



The number of shares held by the members of the Board and the Council of the Company as of December 31, 2013:

Board members		Number of shares
Chairman of the Board	Adrians Dāvis	417
Vice-Chairman of the Board	Mario Nullmeier	0
Vice-Chairman of the Board	Alexander Miheyev	0
Board member	Anda Ulpe	729
Board member	Gints Freibergs	416
Council members		Number of shares
Chairman of the Council	Kirill Seleznev	0
Vice-Chairman of the Council	Juris Savickis	0
Vice-Chairman of the Council	Achim Saul	0
Council member	Matthias Kohlenbach	0
Council member	Jörg Tumat	0
Council member	Uwe H. Fip	0
Council member	Rainer Link	0
Council member	Vlada Rusakova	0
Council member	Nikolay Dubik	0
Council member	Elena Karpel	0
Council member	Elena Michaylova	0

As from February 15, 1999, the shares of the Company are quoted at the NASDAQ OMX Riga exchange, and their trading code as from August 1, 2004 is GZE1R. The total number of securities has not changed since 1999.

ISIN	LV0000100899
Exchange code	GZE1R
List	Second list
Nominal value	1.00 LVL
Total number of securities	39 900 000
Number of securities in public trading	25 328 520
Guaranteers of liquidity	None

Report of the Board of Directors (continued)

4. Shares and shareholders

	2014 Q1	2013 Q1	2012 Q1	2011 Q1	2010 Q1
<u>Share price (LVL):</u>					
First	9.390	8.694	8.388	6.830	6.503
Highest	10.200	9.291	8.964	9.106	7.584
Lowest	8.920	8.580	7.854	6.545	6.503
Average	9.431	8.830	8.410	7.000	7.130
Last	9.360	8.964	8.889	8.755	7.186
Change	-0.32%	3.11%	5.97%	28.18%	10.50%
Number of transactions	482	400	441	400	184
Number of shares traded	46 533	44 392	42 689	117 120	11 150
Turnover (million LVL)	0.439	0.391	0.359	0.82	0.08
Capitalization (million LVL)	373.464	357.664	354.671	349.325	286.721

Source: NASDAQ OMX Riga

The capitalization value of the Company in 3 months of 2014 reached EUR 373,5 million - by EUR 15,8 million more than in 3 months of the previous reporting period. By share market capitalization the Company took the 1st place among companies quoted at NASDAQ OMX RIGA and the 5th place among companies quoted at NASDAQ OMX Baltic (2013: accordingly 1st and 4th).

The dynamics of the Company share price and indexes.

The shares of the Company are included in the following index baskets	OMXBGI, OMXBPI, OMXRGI
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OMX Baltic

An index of all shares, Baltic-wide. Its basket consists of the shares of the Official and Second list of the Baltic exchanges. The index reflects the current situation and changes in the Baltic market overall.

OMX Riga

An index of all shares, local. Its basket consists of the shares of the Official and Second list of the NASDAQ OMX Riga exchange. The index reflects the current situation and changes in the NASDAQ OMX Riga exchange.

Report of the Board of Directors (continued)

4. Shares and shareholders (continued)

The Company share price and changes of OMX Riga GI and OMX Baltic GI (01.01.2011. - 31.03.2014.)



Source: NASDAQ OMX Riga

Indexes/Shares	01.01.2011.	31.03.2014.	Change
OMX Riga	393.53	415.95	5.70%
OMX Baltic GI	421.36	468.31	11.14%
GZE1R (EUR)	6.97	9.20	31.96%

Chairman of the Board

A. Dāvis

Board meeting minutes No. 20 (2014)
Riga, May 13, 2014

Statement of Director's responsibility

The Board of Directors of the Joint Stock Company "Latvijas Gāze" (hereinafter – the Company) is responsible of the preparation of the interim financial statements of the Company. Interim financial statements of the Company are not audited.

The financial statements on pages 12 to 17 are prepared in accordance with the underlying accounting records and source documents and present fairly the financial position of the Company as of 31 March 2014 and the result of its operations and cash flows for the period ended 31 March 2014.

The financial statements are prepared in accordance with International Financial Reporting Standards on a going concern basis. Appropriate accounting policies have been applied on a consistent basis. The Board of Directors in the preparation of the financial statements has made prudent and reasonable judgements and estimates.

The Board of Directors of JSC "Latvijas Gāze" is responsible for the maintenance of proper accounting records, the safeguarding of the Company's assets and the prevention and detection of fraud and other irregularities in the Company. The Board of Directors is also responsible for operating the Company in compliance with the legislation of the Republic of Latvia.

On behalf of the Board of Directors,

Adrians Dāvis
Chairman of the Board

Riga, 13th May 2014

Balance sheet

	Note	31.03.2014. EUR'000	31.03.2013. EUR'000
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment		562 046	567 801
Intangible assets		2 527	2 706
Trade receivables		9	3 007
Total non-current assets		564 582	573 514
<u>Current assets</u>			
Inventories	1	127 119	27 163
Trade receivables		37 366	69 573
Current income tax receivable		3 588	4 597
Other current assets		62 363	60 855
Cash and cash equivalents		62 576	64 254
Total current assets		293 012	226 442
TOTAL ASSETS		857 594	799 956
EQUITY AND LIABILITIES			
<u>Equity</u>			
Share capital		56 773	56 773
Share premium		20 376	20 376
Revaluation reserve	2	378 126	380 152
Other reserves		113 887	111 893
Retained earnings	3	44 817	44 193
Total equity		613 979	613 387
<u>Liabilities</u>			
<u>Non-current liabilities</u>			
Deferred income tax liabilities		56 447	57 252
Accruals for post employment benefits and other employee benefits		6 034	6 695
Deferred income		28 594	28 859
Total non-current liabilities		91 075	92 806
<u>Current liabilities</u>			
Trade payables		92 219	26 601
Corporate income tax payable		4 502	5 442
Deferred income		1 165	1 135
Other current liabilities		54 654	60 585
Total current liabilities		152 540	93 763
Total liabilities		243 615	186 569
TOTAL EQUITY AND LIABILITIES		857 594	799 956

Income statement

	Note	31.03.2014. EUR'000	31.03.2013. EUR'000
Revenue	4	186 812	250 479
Cost of sales	5	(166 069)	(228 802)
Gross profit		20 743	21 677
Administrative expenses	6	(2 346)	(2 475)
Other income	7	1 406	1 901
Other expenses	8	(10 171)	(9 621)
Operating profit		9 632	11 482
Finance income	9	49	52
Profit before income tax		9 681	11 534
Income tax expense		(4 502)	(5 442)
Profit for the period		5 179	6 092

Statement of comprehensive income

Other comprehensive income

Tax sections, net

Revaluation of property, plant and
equipment - gross

2	81	21
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**Other comprehensive income for the
period, net of tax**

81	21
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Profit for the period

5 179	6 092
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**Total comprehensive income for the
period**

5 260	6 113
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Statement of cash flows

	31.03.2014.	31.03.2013.
	EUR'000	EUR'000
Cash flow from operating activities		
Cash generated from operations	56 583	96 836
Interest received	64	67
Income tax paid	(1 900)	(2 130)
Net cash generated from operating activities	54 747	94 773
Cash flow from investing activities		
Purchase of property, plant and equipment	(3 981)	(3 394)
Purchase of intangible assets	(60)	(95)
Proceeds from sale of property, plant and equipment	16	27
Term deposits	(21 700)	(59 191)
Net cash used in investing activities	(25 725)	(62 653)
Net cash (used in) / generated from financing activities	-	-
Net (decrease) / increase in cash and cash equivalents	29 022	32 120
Cash and cash equivalents at the beginning of the year	33 554	32 134
Cash and cash equivalents at the end of the year	62 576	64 254

Statement of changes in equity

	Share capital EUR'000	Share premium EUR'000	Revaluation reserve EUR'000	Other reserves EUR'000	Retained earnings EUR'000	Total EUR'000
31 December, 2012	56 773	20 376	380 422	111 893	37 811	607 275
Income in year 2013, total	-	-	(269)	-	6 382	6 113
Rounding	-	-	(1)	-	-	(1)
31 March, 2013	56 773	20 376	380 152	111 893	44 193	613 387
31 December, 2013	56 773	20 376	378 103	113 887	39 582	608 721
Income in year 2014, total	-	-	24	-	5 236	5 260
Rounding	-	-	(1)	-	(1)	(2)
31 March, 2014	56 773	20 376	378 126	113 887	44 817	613 979

Notes to the financial statements

	31.03.2014.	31.03.2013.
	EUR'000	EUR'000
1 INVENTORIES		
Materials and spare parts (at net realisable value)	6 887	5 936
Gas and fuel (at cost)	120 232	21 227
	127 119	27 163
2 REVALUATION RESERVE		
At the beginning of the period	378 103	380 422
Revaluation of property, plant and equipment	81	21
Disposal of revalued property, plant and equipment	(57)	(290)
Rounding	(1)	(1)
At the end of the period	378 126	380 152
3 RETAINED EARNINGS		
At the beginning of the period	39 582	37 811
Disposal of revalued property, plant and equipment	57	290
Profit for the period	5 179	6 092
Rounding	(1)	-
At the end of the period	44 817	44 193
4 REVENUE		
Income from natural gas sales to industrial customers	154 399	214 264
Income from natural gas sales to residential customers	25 590	28 579
Income from transmission and storage of natural gas	6 624	7 451
Other services	199	185
	186 812	250 479
5 COST OF SALES		
Purchase of natural gas	150 307	213 353
Salaries	3 933	3 715
Social insurance contributions	909	886
Life, health and pension insurance	262	285
Materials and spare parts	1 096	1 088
Depreciation and amortisation	8 154	8 095
Other	1 408	1 380
	166 069	228 802

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6 ADMINISTRATIVE EXPENSES

Salaries	1 047	1 134
Social insurance contributions	227	248
Life, health and pension insurance	49	50
Maintenance and utilities	248	245
Real estate tax	274	270
Depreciation and amortisation	212	203
Bank charges	28	33
Provisions for impairment of bad and doubtful debts, net	(42)	(44)
Other expenses	303	336
	2 346	2 475

7 OTHER INCOME

Penalties from customers	772	810
Income from contribution to financing of construction works	222	216
Provisions for slow moving and obsolete inventories impairment	4	26
Other income	407	166
Income from increase in exchange rates, net	1	683
	1 406	1 901

8 OTHER EXPENSES

Materials	13	11
Salaries	52	60
Social insurance contributions	8	7
Depreciation and amortisation	26	27
Sponsorship	1	10
Loss from sale of fixed assets	27	132
Other expense	10 044	9 374
	10 171	9 621

EXPENSES BY NATURE

Purchase of natural gas	150 307	213 353
Depreciation and amortisation	8 392	8 325
Employee benefit expense	6 487	6 385
Material and spare parts	1 109	1 099
Net provisions for impaired receivables	(42)	(44)
Other expenses	12 333	11 780
	178 586	240 898

9 FINANCE INCOME, NET

Finance income		
- Interest income	49	52