

OAO SOVCOMFLOT

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2014

OAO Sovcomflot

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Condensed Consolidated Income Statement
For the period ended 31 March 2014

	Note	Three months ended		Year ended
		31/03/2014 \$'000	31/03/2013 \$'000	31/12/2013 \$'000
Freight and Hire revenue		365,067	313,163	1,262,816
Voyage expenses and commissions		(94,505)	(111,329)	(390,167)
Time charter equivalent revenues		<u>270,562</u>	<u>201,834</u>	<u>872,649</u>
Direct operating expenses				
Vessels' running costs		86,223	80,058	336,644
Charter hire payments		7,014	6,574	46,032
		<u>(93,237)</u>	<u>(86,632)</u>	<u>(382,676)</u>
Net earnings from vessels' trading		177,325	115,202	489,973
Other operating revenues		7,873	7,831	33,390
Other operating expenses		(5,497)	(6,016)	(25,551)
Depreciation, amortisation and impairment		(73,393)	(68,527)	(314,335)
General and administrative expenses		(23,742)	(22,528)	(107,873)
Gain on sale of assets		4,347	363	1,401
Allowance for credit losses		112	2,074	(4,614)
Release of provision		(52)	(120)	(382)
Share of profits in equity accounted investments		3,533	2,607	9,629
Operating profit		<u>90,506</u>	<u>30,886</u>	<u>81,638</u>
Other (expenses) / income				
Financing costs		(35,734)	(33,135)	(136,187)
Interest income		3,942	5,259	19,073
Other non-operating income		-	621	2,756
Other non-operating expenses		(1,584)	(2,498)	(10,558)
Gain on ineffective hedging instruments	7	134	450	2,054
Gain on derivative financial instruments held for trading	7	3,185	4,434	15,228
Foreign exchange differences		(560)	(2,077)	(1,517)
Net other expenses		<u>(30,617)</u>	<u>(26,946)</u>	<u>(109,151)</u>
Profit / (loss) before income taxes		59,889	3,940	(27,513)
Income tax expense	15	(1,743)	(1,988)	(11,713)
Profit / (loss) for the period		<u>58,146</u>	<u>1,952</u>	<u>(39,226)</u>
Profit / (loss) attributable to:				
Owners of the parent		55,260	1,990	(39,815)
Non-controlling interests		2,886	(38)	589
		<u>58,146</u>	<u>1,952</u>	<u>(39,226)</u>
Earnings per share				
Basic earnings per share for the period attributable to equity holders of the parent		<u>\$0.028</u>	<u>\$0.001</u>	<u>(\$0.020)</u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

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Condensed Consolidated Statement of Comprehensive Income
For the period ended 31 March 2014

	Note	Three months ended		Year ended
		31/03/2014	31/03/2013	31/12/2013
		\$'000	\$'000	\$'000
Profit / (loss) for the period		58,146	1,952	(39,226)
Other comprehensive income:				
Share of associates' other comprehensive income		(19)	(6)	(15)
Share of joint ventures' other comprehensive income	5	699	4,839	23,344
Exchange differences on translation of foreign operations		(6,731)	(2,493)	(6,906)
Derivative financial instruments recycled and debited to the income statement	7	6,978	6,265	19,246
Fair value movement of derivative financial instruments (debited) / credited to other comprehensive income	7	(5,925)	735	17,137
Other comprehensive income for the period, net of tax to be reclassified to profit or loss in subsequent periods		(4,998)	9,340	52,806
Remeasurement gains / (losses) on retirement benefit obligations		773	(80)	(632)
Other comprehensive income, net of tax not to be reclassified to profit or loss in subsequent periods		773	(80)	(632)
Total other comprehensive income for the period, net of tax		(4,225)	9,260	52,174
Total comprehensive income for the period		53,921	11,212	12,948
Total comprehensive income attributable to:				
Owners of the parent		51,793	11,487	13,162
Non-controlling interests		2,128	(275)	(214)
		53,921	11,212	12,948

The accompanying notes are an integral part of the condensed consolidated financial statements.

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Condensed Consolidated Statement of Financial Position – 31 March 2014

	Note	31/03/2014 \$'000	31/03/2013 \$'000	31/12/2013 \$'000
Assets				
Non-current assets				
Fleet	3	5,378,286	5,102,136	5,206,150
Vessels under construction	4	136,101	404,068	244,584
Other fixed assets		85,096	73,572	87,847
Investment property		15,187	3,489	16,973
Other fixed assets under construction		9,929	26,382	11,992
Investments in associates		1,022	1,193	1,130
Investments in joint ventures	5	75,270	65,053	72,507
Available-for-sale investments		1,012	1,380	1,012
Loans to joint ventures	5	65,112	71,230	65,526
Finance lease receivables	6	76,198	88,293	78,908
Derivative financial instruments	7	13,495	895	10,356
Trade and other receivables	8	17,670	9,533	17,765
Deferred tax assets		1,374	4,292	2,228
		<u>5,875,752</u>	<u>5,851,516</u>	<u>5,816,978</u>
Current assets				
Inventories		66,102	75,901	64,719
Loans to joint ventures	5	6,280	4,803	4,750
Trade and other receivables	8	160,079	213,566	160,121
Finance lease receivables	6	3,790	3,239	3,656
Current tax receivable		2,228	2,533	2,017
Cash and bank deposits	9	387,322	237,237	281,540
		<u>625,801</u>	<u>537,279</u>	<u>516,803</u>
Non-current assets held for sale	10	60,903	11,519	74,252
		<u>686,704</u>	<u>548,798</u>	<u>591,055</u>
Total assets		<u><u>6,562,456</u></u>	<u><u>6,400,314</u></u>	<u><u>6,408,033</u></u>
Equity and liabilities				
Capital and reserves				
Share capital		405,012	405,012	405,012
Reserves		2,601,008	2,556,661	2,549,215
Equity attributable to owners of the parent		<u>3,006,020</u>	<u>2,961,673</u>	<u>2,954,227</u>
Non-controlling interests		<u>159,173</u>	<u>158,594</u>	<u>157,045</u>
Total equity		<u><u>3,165,193</u></u>	<u><u>3,120,267</u></u>	<u><u>3,111,272</u></u>
Non-current liabilities				
Secured bank loans	13	1,693,380	1,651,570	1,598,257
Finance lease liabilities	14	190,938	199,939	193,291
Derivative financial instruments	7	40,256	65,233	42,266
Retirement benefit obligations		5,768	9,112	7,405
Other loans		798,215	797,717	798,092
Provisions		5,471	22,280	6,354
Deferred tax liabilities		2,263	3,242	2,477
		<u>2,736,291</u>	<u>2,749,093</u>	<u>2,648,142</u>
Current liabilities				
Trade and other payables	12	252,850	218,391	246,586
Secured bank loans	13	370,792	267,573	363,259
Finance lease liabilities	14	9,002	8,401	8,850
Current tax payable		833	518	3,206
Derivative financial instruments	7	27,495	36,071	26,718
		<u>660,972</u>	<u>530,954</u>	<u>648,619</u>
Total equity and liabilities		<u><u>6,562,456</u></u>	<u><u>6,400,314</u></u>	<u><u>6,408,033</u></u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

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Condensed Consolidated Statement of Changes in Equity
For the period ended 31 March 2014

	Share capital \$'000	Share premium \$'000	Reconstruction reserve \$'000	Hedging reserve \$'000	Currency reserve \$'000	Retained earnings \$'000	Attributable to owners of the parent \$'000	Non- controlling interests \$'000	Total \$'000
At 1 January 2013	405,012	818,845	(834,490)	(141,046)	104	2,701,761	2,950,186	158,869	3,109,055
Profit / (loss) for the period	-	-	-	-	-	1,990	1,990	(38)	1,952
Other comprehensive income	-	-	-	-	-	-	-	-	-
Share of associates' other comprehensive income	-	-	-	-	(6)	-	(6)	-	(6)
Share of joint ventures' other comprehensive income	-	-	-	4,839	-	-	4,839	-	4,839
Exchange differences on translation of foreign operations	-	-	-	-	(2,265)	-	(2,265)	(228)	(2,493)
Derivative financial instruments recycled and debited to the income statement	-	-	-	6,265	-	-	6,265	-	6,265
Fair value movement of derivative financial instruments credited to other comprehensive income	-	-	-	735	-	-	735	-	735
Remeasurement losses on retirement benefit obligations	-	-	-	-	-	(71)	(71)	(9)	(80)
Total comprehensive income	-	-	-	11,839	(2,271)	1,919	11,487	(275)	11,212
At 31 March 2013	405,012	818,845	(834,490)	(129,207)	(2,167)	2,703,680	2,961,673	158,594	3,120,267
(Loss) / profit for the period	-	-	-	-	-	(41,805)	(41,805)	627	(41,178)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Share of associates' other comprehensive income	-	-	-	-	(9)	-	(9)	-	(9)
Share of joint ventures' other comprehensive income	-	-	-	18,505	-	-	18,505	-	18,505
Exchange differences on translation of foreign operations	-	-	-	-	(3,906)	-	(3,906)	(507)	(4,413)
Derivative financial instruments recycled and debited to the income statement	-	-	-	12,981	-	-	12,981	-	12,981
Fair value movement of derivative financial instruments credited to other comprehensive income	-	-	-	16,402	-	-	16,402	-	16,402
Remeasurement losses on retirement benefit obligations	-	-	-	-	-	(493)	(493)	(59)	(552)
Total comprehensive income	-	-	-	47,888	(3,915)	(42,298)	1,675	61	1,736
Dividends (Note 11)	-	-	-	-	-	(9,121)	(9,121)	(1,610)	(10,731)
At 31 December 2013	405,012	818,845	(834,490)	(81,319)	(6,082)	2,652,261	2,954,227	157,045	3,111,272
Profit for the period	-	-	-	-	-	55,260	55,260	2,886	58,146
Other comprehensive income	-	-	-	-	-	-	-	-	-
Share of associates' other comprehensive income	-	-	-	-	(19)	-	(19)	-	(19)
Share of joint ventures' other comprehensive income	-	-	-	699	-	-	699	-	699
Exchange differences on translation of foreign operations	-	-	-	-	(5,890)	-	(5,890)	(841)	(6,731)
Derivative financial instruments recycled and debited to the income statement	-	-	-	6,978	-	-	6,978	-	6,978
Fair value movement of derivative financial instruments debited to other comprehensive income	-	-	-	(5,925)	-	-	(5,925)	-	(5,925)
Remeasurement gains on retirement benefit obligations	-	-	-	-	-	690	690	83	773
Total comprehensive income	-	-	-	1,752	(5,909)	55,950	51,793	2,128	53,921
At 31 March 2014	405,012	818,845	(834,490)	(79,567)	(11,991)	2,708,211	3,006,020	159,173	3,165,193

Notes

Hedging reserve: The hedging reserve contains the effective portion of the cash flow hedge relationships incurred as at the reporting date of the Group including its joint arrangements and associates.
Currency reserve: The currency reserve is used to record exchange differences arising from the translation of the financial statements of subsidiaries, joint arrangements and associates.

The accompanying notes are an integral part of the condensed consolidated financial statements.

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Condensed Consolidated Statement of Cash Flows
For the period ended 31 March 2014

	Note	Three months ended 31/03/2014 \$'000	31/03/2013 \$'000	Year ended 31/12/2013 \$'000
Operating Activities				
Cash received from freight and hire of vessels		363,007	295,352	1,279,885
Other cash receipts		10,036	10,522	56,886
Cash payments for voyage and running costs		(193,959)	(194,679)	(741,872)
Other cash payments		(32,430)	(22,012)	(157,918)
Cash generated from operations		146,654	89,183	436,981
Interest received		378	1,761	7,170
Income tax paid		(4,053)	694	(9,447)
Net cash inflow from operating activities		142,979	91,638	434,704
Investing Activities				
Expenditure on fleet		(2,180)	(10,657)	(49,807)
Expenditure on vessels under construction		(192,490)	(68,248)	(287,683)
Expenditure on assets held for sale		(284)	-	(4,990)
Interest capitalised		(1,918)	(3,605)	(12,366)
Expenditure on other fixed assets		(1,636)	(5,912)	(45,444)
Loan repayments from joint ventures		-	-	6,604
Loan advances to joint ventures		(1,020)	(5,406)	(5,865)
Proceeds from sale of vessels		79,063	6,500	50,814
Proceeds from sale of other fixed assets		106	608	3,449
Advances for sale of assets		-	-	16,032
Capital element received on finance leases		972	918	4,897
Interest received on finance leases		4,447	4,460	22,158
Dividends received from joint ventures	5	600	-	2,112
Bank term deposits	9	(8,625)	-	(1,833)
Blocked funds	9	-	(24,841)	-
Security deposits	9	-	3,400	10,400
Other receipts		220	-	39
Net cash outflow used in investing activities		(122,745)	(102,783)	(291,483)
Financing Activities				
Proceeds from borrowings		193,150	14,000	286,355
Repayment of borrowings		(88,956)	(56,797)	(284,740)
Financing costs		(3,713)	(2,272)	(6,518)
Repayment of finance lease liabilities		(2,263)	(13,412)	(19,806)
Restricted deposits	9	(3,400)	-	3,900
Funds in retention bank accounts	9	(14,788)	437	(611)
Interest paid on borrowings and other loans		(16,831)	(16,611)	(114,143)
Interest paid on finance leases		(3,296)	(3,566)	(13,868)
Dividends paid		(6)	(16)	(9,830)
Net cash inflow / (outflow) from financing activities		59,897	(78,237)	(159,261)
Increase / (decrease) in Cash and Cash Equivalents		80,131	(89,382)	(16,040)
Cash and Cash Equivalents at 1 January	9	256,750	271,807	271,807
Net foreign exchange difference		(1,162)	(2,838)	983
Cash and Cash Equivalents at 31 March / 31 December	9	335,719	179,587	256,750

The accompanying notes are an integral part of the condensed consolidated financial statements.

OAO Sovcomflot**Notes to the Condensed Consolidated Financial Statements – 31 March 2014****1. Organisation, Basis of Preparation and Accounting Policies**

OAO Sovcomflot ("Sovcomflot" or "the Company") is an open joint stock company organised under the laws of the Russian Federation and was registered in Russia on 18 December 1995, as the successor undertaking to AKP Sovcomflot, in which the Russian Federation holds 100% of the issued shares.

The Company's registered office address is 3A, Moika River Embankment, Saint Petersburg 191186, Russian Federation and its head office is located at 6 Gasheka Street, Moscow 125047, Russian Federation.

The Company, through its subsidiaries (the "Group"), is engaged in ship owning and operating on a world-wide basis with a fleet of 135 vessels at the period end, comprising 121 tankers, 1 chartered in seismic vessel, 6 gas carriers, 3 bulk carriers and 4 ice breaking supply vessels. For major changes in the period in relation to the fleet see also Notes 3, 4 and 10. In addition the Group through its subsidiaries owns 9 escort tug vessels which have been chartered out on bareboat charter to an associate undertaking (see Note 6).

Statement of compliance

The condensed consolidated financial statements are unaudited and have been prepared in accordance with International Financial Reporting Standard (IFRS) - IAS 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2013.

Significant Accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013, except for the adoption of new standards and interpretations effective as of 1 January 2014.

The nature and the impact of each new standard or amendment are described below:

Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on the Group.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 "Impairment of Assets". In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. Such disclosures have not been provided in these condensed financial statements but will be disclosed in the Group's annual financial statements.

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments have no impact to the Group as the Group has not novated its derivatives during the current or prior periods.

Seasonality of Operations

Although some of the Group's operations may sometimes be affected by seasonal factors such as general weather conditions, management does not feel this has a material effect on the performance of the Group when comparing the interim results to those achieved in the last quarter of the year.

Changes in estimates

The preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates under different assumptions and conditions. All critical accounting judgements and key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2013.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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Notes to the Condensed Consolidated Financial Statements – 31 March 2014
(Continued)

2. Segment Information

For management purposes, the Group is organised into business units (operating segments) based on the main types of activities and has five reportable operating segments. Management considers the global market as one geographical segment and does not therefore analyse geographical segment information on revenue from customers or non-current segment assets.

Period ended 31 March 2014

	Crude Oil \$'000	Oil Product \$'000	Gas \$'000	Offshore \$'000	Other \$'000	Total \$'000
Freight and Hire revenue	196,381	83,065	20,729	54,974	9,918	365,067
Voyage expenses and commissions	(61,674)	(29,973)	(726)	(185)	(1,947)	(94,505)
Time charter equivalent revenues	134,707	53,092	20,003	54,789	7,971	270,562
Direct operating expenses						
Vessels' running costs	(36,121)	(31,429)	(3,730)	(10,176)	(4,767)	(86,223)
Charter hire payments	-	-	-	-	(7,014)	(7,014)
Net earnings from vessels' trading	98,586	21,663	16,273	44,613	(3,810)	177,325
Vessels' depreciation	(27,013)	(13,022)	(2,692)	(14,047)	(908)	(57,682)
Vessels' drydock cost amortisation	(4,669)	(2,861)	(695)	(1,225)	(328)	(9,778)
Vessels' impairment provision	-	(3,912)	-	-	-	(3,912)
Gain / (loss) on sale of vessels	4,737	(162)	(11)	-	-	4,564
Segment operating profit / (loss)	<u>71,641</u>	<u>1,706</u>	<u>12,875</u>	<u>29,341</u>	<u>(5,046)</u>	<u>110,517</u>
Unallocated						
General and administrative expenses						(23,742)
Financing costs						(35,734)
Other income and expenses						8,848
Profit before income taxes						<u>59,889</u>
Carrying amount of fleet in operation	<u>2,521,167</u>	<u>1,139,708</u>	<u>401,949</u>	<u>1,221,532</u>	<u>93,930</u>	<u>5,378,286</u>
Carrying amount of non-current assets held for sale	<u>-</u>	<u>46,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,560</u>
Deadweight tonnage of fleet used in operations ('000)	<u>7,811</u>	<u>2,298</u>	<u>232</u>	<u>1,196</u>	<u>222</u>	<u>11,759</u>

Period ended 31 March 2013

	Crude Oil \$'000	Oil Product \$'000	Gas \$'000	Offshore \$'000	Other \$'000	Total \$'000
Freight and Hire revenue	160,725	85,700	11,100	48,120	7,518	313,163
Voyage expenses and commissions	(74,405)	(33,579)	(126)	(168)	(3,051)	(111,329)
Time charter equivalent revenues	86,320	52,121	10,974	47,952	4,467	201,834
Direct operating expenses						
Vessels' running costs	(36,409)	(29,098)	(2,562)	(9,382)	(2,607)	(80,058)
Charter hire payments	-	-	-	-	(6,574)	(6,574)
Net earnings from vessels' trading	49,911	23,023	8,412	38,570	(4,714)	115,202
Vessels' depreciation	(26,211)	(14,204)	(1,335)	(12,201)	(836)	(54,787)
Vessels' drydock cost amortisation	(3,978)	(2,701)	(547)	(1,217)	(333)	(8,776)
Vessels' impairment provision	-	(3,600)	-	-	-	(3,600)
Gain on sale of vessels	-	4	-	-	-	4
Segment operating profit / (loss)	<u>19,722</u>	<u>2,522</u>	<u>6,530</u>	<u>25,152</u>	<u>(5,883)</u>	<u>48,043</u>
Unallocated						
General and administrative expenses						(22,528)
Financing costs						(33,135)
Other income and expenses						11,560
Profit before income taxes						<u>3,940</u>
Carrying amount of fleet in operation	<u>2,493,270</u>	<u>1,237,063</u>	<u>106,612</u>	<u>1,168,083</u>	<u>97,108</u>	<u>5,102,136</u>
Carrying amount of non-current assets held for sale	<u>-</u>	<u>11,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,519</u>
Deadweight tonnage of fleet used in operations ('000)	<u>7,487</u>	<u>2,368</u>	<u>134</u>	<u>1,190</u>	<u>223</u>	<u>11,402</u>

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Notes to the Condensed Consolidated Financial Statements – 31 March 2014
(Continued)

2. Segment Information (Continued)

Period ended 31 December 2013

	<u>Crude Oil \$'000</u>	<u>Oil Product \$'000</u>	<u>Gas \$'000</u>	<u>Offshore \$'000</u>	<u>Other \$'000</u>	<u>Total \$'000</u>
Freight and Hire revenue	603,674	335,844	48,695	207,655	66,948	1,262,816
Voyage expenses and commissions	<u>(259,778)</u>	<u>(120,174)</u>	<u>(409)</u>	<u>(704)</u>	<u>(9,102)</u>	<u>(390,167)</u>
Time charter equivalent revenues	343,896	215,670	48,286	206,951	57,846	872,649
Direct operating expenses						
Vessels' running costs	(139,956)	(127,235)	(11,971)	(40,631)	(16,851)	(336,644)
Charter hire payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,032)</u>	<u>(46,032)</u>
Net earnings from vessels' trading	203,940	88,435	36,315	166,320	(5,037)	489,973
Vessels' depreciation	(106,408)	(56,185)	(6,048)	(54,202)	(3,601)	(226,444)
Vessels' drydock cost amortisation	(16,656)	(11,530)	(3,070)	(5,127)	(1,260)	(37,643)
Vessels' impairment provision	-	(43,375)	-	-	-	(43,375)
Loss on sale of vessels	<u>-</u>	<u>(558)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(558)</u>
Segment operating profit / (loss)	<u>80,876</u>	<u>(23,213)</u>	<u>27,197</u>	<u>106,991</u>	<u>(9,898)</u>	<u>181,953</u>
Unallocated						
General and administrative expenses						(107,873)
Financing costs						(136,187)
Other income and expenses						34,594
Loss before income taxes						<u>(27,513)</u>
Carrying amount of fleet in operation	<u>2,519,853</u>	<u>1,155,359</u>	<u>198,964</u>	<u>1,236,808</u>	<u>95,166</u>	<u>5,206,150</u>
Carrying amount of non-current assets held for sale	<u>-</u>	<u>49,360</u>	<u>9,100</u>	<u>-</u>	<u>-</u>	<u>58,460</u>
Deadweight tonnage of fleet used in operations ('000)	<u>7,808</u>	<u>2,298</u>	<u>180</u>	<u>1,196</u>	<u>222</u>	<u>11,704</u>

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3. Fleet

	Vessels \$'000	Drydock \$'000	Total Fleet \$'000
Cost			
At 1 January 2013	6,469,332	151,006	6,620,338
Expenditure in period	2,994	4,170	7,164
Transfer from vessels under construction (Note 4)	112,786	2,320	115,106
Write-off of fully amortised drydock cost	-	(4,265)	(4,265)
At 31 March 2013	6,585,112	153,231	6,738,343
Expenditure in period	4,440	38,365	42,805
Transfer from vessels under construction (Note 4)	379,818	7,862	387,680
Transfer to non-current assets held for sale (Note 10)	(298,167)	(12,211)	(310,378)
Write-off of fully amortised drydock cost	-	(31,409)	(31,409)
At 31 December 2013	6,671,203	155,838	6,827,041
Expenditure in period	709	936	1,645
Transfer from vessels under construction (Note 4)	296,421	6,470	302,891
Disposals in period	(89,082)	(2,636)	(91,718)
Write-off of fully amortised drydock cost	-	(776)	(776)
At 31 March 2014	<u>6,879,251</u>	<u>159,832</u>	<u>7,039,083</u>
Depreciation and amortisation			
At 1 January 2013	1,501,149	72,160	1,573,309
Charge for the period	54,787	8,776	63,563
Impairment provision	3,600	-	3,600
Write-off of fully amortised drydock cost	-	(4,265)	(4,265)
At 31 March 2013	1,559,536	76,671	1,636,207
Charge for the period	171,657	28,867	200,524
Impairment provision	32,967	-	32,967
Reversal of impairment provision	(666)	-	(666)
Transfer to non-current assets held for sale (Note 10)	(208,160)	(8,572)	(216,732)
Write-off of fully amortised drydock cost	-	(31,409)	(31,409)
At 31 December 2013	1,555,334	65,557	1,620,891
Charge for the period	57,682	9,778	67,460
Impairment provision	828	-	828
Eliminated on disposal	(25,448)	(2,158)	(27,606)
Write-off of fully amortised drydock cost	-	(776)	(776)
At 31 March 2014	<u>1,588,396</u>	<u>72,401</u>	<u>1,660,797</u>
Net book value			
At 31 March 2014	<u>5,290,855</u>	<u>87,431</u>	<u>5,378,286</u>
At 31 March 2013	<u>5,025,576</u>	<u>76,560</u>	<u>5,102,136</u>
At 31 December 2013	<u>5,115,869</u>	<u>90,281</u>	<u>5,206,150</u>
	31/03/2014	31/03/2013	31/12/2013
Market value (\$'000)	<u>4,741,250</u>	<u>3,910,500</u>	<u>4,355,000</u>
Current insured values (\$'000)	<u>5,817,372</u>	<u>5,713,590</u>	<u>5,587,372</u>
Total deadweight tonnage (dwt)	<u>11,593,935</u>	<u>11,380,559</u>	<u>11,497,966</u>

Included in the Group's fleet are 2 vessels (2013 – 2) held under finance leases with an aggregate carrying value of \$206.8 million (31 March 2013 – \$232.9 million / 31 December 2013 – \$209.2 million).

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4. **Vessels Under Construction**

	31/03/2014 \$'000	31/03/2013 \$'000	31/12/2013 \$'000
At 1 January	244,584	447,321	447,321
Expenditure in period	194,408	71,853	300,049
Transfer to fleet (Note 3)	(302,891)	(115,106)	(502,786)
At 31 March / 31 December	<u>136,101</u>	<u>404,068</u>	<u>244,584</u>
Total deadweight tonnage (dwt)	<u>382,900</u>	<u>1,186,150</u>	<u>698,800</u>

Vessels delivered during the period comprised the following:

<u>Vessel Name</u>	<u>Vessel Type</u>	<u>Segment</u>	<u>DWT</u>	<u>Delivery Date</u>
Velikiy Novgorod	LNG carrier	Gas	93,486	29 January 2014
SCF Shanghai	VLCC	Crude	320,701	25 February 2014

During the period ended 31 March 2014, the Group signed an agreement for the construction of a 172,600 cubic metre ice breaking LNG carrier at a contracted cost of \$317.9 million. The LNG carrier is backed with a time charter contract of 29 years firm period, with various extension options attached. The vessel is scheduled for delivery in March 2016.

Vessels under construction at 31 March 2014 comprised four LNG carriers scheduled for delivery between September 2014 and March 2016 at a total contracted cost to the Group of \$913.5 million. As at 31 March 2014, \$119.1 million of the contracted costs had been paid for.

5. **Joint Ventures**

Investments in joint ventures are analysed as follows:

	31/03/2014 \$'000	31/03/2013 \$'000	31/12/2013 \$'000
At 1 January	72,507	62,156	62,156
Share of profits in joint ventures	3,547	2,574	9,561
Share of joint ventures' other comprehensive income	699	4,839	23,344
Dividends received	(600)	-	(2,112)
Release of provision for share in net liabilities of joint ventures	(883)	(4,516)	(20,442)
At 31 March / 31 December	<u>75,270</u>	<u>65,053</u>	<u>72,507</u>
	<u>31/03/2014 \$'000</u>	<u>31/03/2013 \$'000</u>	<u>31/12/2013 \$'000</u>
Long term interests in joint ventures			
Interest free loans to joint ventures	<u>3,821</u>	<u>3,821</u>	<u>3,821</u>

Loans due from joint ventures are analysed as follows:

	31/03/2014 \$'000	31/03/2013 \$'000	31/12/2013 \$'000
Loans to joint ventures at U.S. Dollar Libor + 0.5% margin per annum	51,080	57,657	50,984
Loans to joint ventures at U.S. Dollar Libor + 3.0% margin per annum	20,312	18,376	19,292
	71,392	76,033	70,276
Less current portion (current assets)	(6,280)	(4,803)	(4,750)
Non-current portion (non-current assets)	<u>65,112</u>	<u>71,230</u>	<u>65,526</u>

6. **Finance Lease Receivables**

	31/03/2014 \$'000	31/03/2013 \$'000	31/12/2013 \$'000
At 1 January	89,136	92,261	92,261
Finance lease interest receivable	3,287	3,402	13,631
Finance lease instalments received	(4,132)	(4,131)	(16,756)
At 31 March // 31 December	<u>88,291</u>	<u>91,532</u>	<u>89,136</u>
At 1 January	(6,572)	-	-
Allowance for credit losses	(1,731)	-	(6,572)
At 31 March / 31 December	<u>(8,303)</u>	<u>-</u>	<u>(6,572)</u>
Gross receivable net of provision	79,988	91,532	82,564
Less current finance lease receivables	(3,790)	(3,239)	(3,656)
Non-current finance lease receivables	<u>76,198</u>	<u>88,293</u>	<u>78,908</u>

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7. Derivative Financial Instruments

Derivative financial instruments are classified in the statement of financial position as follows:

	31/03/2014 \$'000	31/03/2013 \$'000	31/12/2013 \$'000
Non-current asset	13,495	895	10,356
Non-current liability	(40,256)	(65,233)	(42,266)
Current liability	(27,495)	(36,071)	(26,718)
	<u>(54,256)</u>	<u>(100,409)</u>	<u>(58,628)</u>

Derivative financial instruments are analysed as follows:

Hedging instruments

	31/03/2014 \$'000	31/03/2013 \$'000	31/12/2013 \$'000
At 1 January	52,464	90,901	90,901
Recycled during the period and credited to the income statement	(6,978)	(6,265)	(19,246)
Fair value movement during the period recognised in other comprehensive income	5,925	(735)	(17,137)
Fair value movement during the period credited to the income statement	(134)	(450)	(2,054)
At 31 March / 31 December	<u>51,277</u>	<u>83,451</u>	<u>52,464</u>

Classified at fair value through profit or loss

	31/03/2014 \$'000	31/03/2013 \$'000	31/12/2013 \$'000
At 1 January	6,164	21,392	21,392
Fair value movement during the period credited to the income statement	(3,185)	(4,434)	(15,228)
At 31 March / 31 December	<u>2,979</u>	<u>16,958</u>	<u>6,164</u>

8. Trade and Other Receivables

	31/03/2014 \$'000	31/03/2013 \$'000	31/12/2013 \$'000
Non-current assets			
Other receivables	490	9,533	587
Security deposits	17,180	-	17,178
	<u>17,670</u>	<u>9,533</u>	<u>17,765</u>
Current assets			
Amounts due from charterers	56,445	70,633	62,831
Allowance for credit losses	(4,486)	(4,880)	(4,135)
	51,959	65,753	58,696
Casualty and other claims	2,942	9,537	5,761
Agents' balances	14,053	14,560	11,933
Other receivables	24,681	22,591	25,298
Amounts due from joint ventures and associates	2,009	987	1,170
Security deposits	10,057	26,998	9,789
Amounts due from lessee for finance leases	2,608	1,423	1,662
Receivables under High Court judgement award	2,708	3,236	2,708
Prepayments	21,860	22,857	15,541
Voyages in progress	19,643	12,726	22,952
Accrued income	7,559	32,898	4,611
	<u>160,079</u>	<u>213,566</u>	<u>160,121</u>

9. Cash and Bank Deposits

	31/03/2014 \$'000	31/03/2013 \$'000	31/12/2013 \$'000
Cash and bank deposits	387,322	237,237	281,540
Bank deposits accessible on maturity	(10,458)	-	(1,833)
Retention accounts	(31,645)	(15,809)	(16,857)
Security deposits held as counter security for claims	-	(7,000)	-
Restricted deposits	(9,500)	(10,000)	(6,100)
Blocked funds	-	(24,841)	-
Cash and cash equivalents	<u>335,719</u>	<u>179,587</u>	<u>256,750</u>

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10. Non-Current Assets Held for Sale

	Buildings \$'000	Fleet \$'000	Total \$'000
At 1 January 2013	-	17,824	17,824
Disposals in period	-	(6,305)	(6,305)
At 31 March 2013	-	11,519	11,519
Transfer from fleet (Note 3)	-	93,646	93,646
Transfers from assets under construction	15,792	-	15,792
Expenditure in period	-	4,990	4,990
Impairment provision	-	(7,764)	(7,764)
Reversal of impairment provision	-	290	290
Disposals in period	-	(44,221)	(44,221)
At 31 December 2013	15,792	58,460	74,252
Expenditure in period	-	284	284
Impairment provision	-	(4,000)	(4,000)
Reversal of impairment provision	-	916	916
Disposals in period	-	(9,100)	(9,100)
Exchange differences	(1,449)	-	(1,449)
At 31 March 2014	<u>14,343</u>	<u>46,560</u>	<u>60,903</u>

As at 31 December 2013, non-current assets held for sale, comprised one asphalt chemical tanker, three chemical oil product tankers, one handysize product tanker, two MR product tankers and an LNG carrier.

In February 2014, the Group signed an agreement for the sale of the LNG carrier held for sale as at 31 December 2013. The LNG carrier was delivered to her new owners in March 2014.

In March 2014, the Group signed two agreements for the sale of the asphalt chemical tanker and one of the chemical oil product tankers. The two vessels were delivered to their new owners in April 2014.

As at 31 March 2014, non-current assets held for sale, comprised one asphalt chemical tanker, three chemical oil product tankers, one handysize product tanker and two MR product tankers (see also Note 19).

11. Dividends

No dividends were declared or paid during the period (2013 – 0.15 Rouble per share totalling Roubles 300.0 million, equivalent to \$9.1 million).

12. Trade and Other Payables

	31/03/2014 \$'000	31/03/2013 \$'000	31/12/2013 \$'000
Trade payables	98,807	69,494	93,027
Other payables	54,186	47,391	55,742
Dividends payable	1,748	1,834	1,912
Accrued liabilities	49,296	59,576	53,465
Deferred income	20,267	13,781	27,102
Accrued interest	28,546	26,315	15,338
	<u>252,850</u>	<u>218,391</u>	<u>246,586</u>

13. Secured Bank Loans

The balances of the loans at the period end, net of direct issue costs, are summarised as follows:

	31/03/2014 \$'000	31/03/2013 \$'000	31/12/2013 \$'000
Repayable			
- within twelve months after the end of the reporting period	370,792	267,573	363,259
- between one to two years	368,911	324,330	364,323
- between two to three years	263,480	333,117	225,937
- between three to four years	227,410	208,810	219,372
- between four to five years	180,725	184,526	187,848
- more than five years	652,854	600,787	600,777
	<u>2,064,172</u>	<u>1,919,143</u>	<u>1,961,516</u>
Less current portion (current liabilities)	(370,792)	(267,573)	(363,259)
Long-term balance (non-current liabilities)	<u>1,693,380</u>	<u>1,651,570</u>	<u>1,598,257</u>

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14. Finance Lease Liabilities

	31/03/2014 \$'000	31/03/2013 \$'000	31/12/2013 \$'000
Repayable			
- within twelve months after the end of the reporting period	9,002	8,401	8,850
- after one year but not more than five years	190,938	199,939	193,291
	199,940	208,340	202,141
Less current portion (current liabilities)	(9,002)	(8,401)	(8,850)
Long-term balance (non-current liabilities)	190,938	199,939	193,291

15. Income Taxes

	31/03/2014 \$'000	31/03/2013 \$'000	31/12/2013 \$'000
Russian Federation profit tax	1,659	1,993	9,240
Overseas income tax expense	(4)	63	1,272
Current income tax expense	1,655	2,056	10,512
Deferred tax	88	(68)	1,201
Total income tax expense	1,743	1,988	11,713

The income tax expense for the period is reconciled to the expected tax expense based on the Russian Federation tax rate as follows:

16. Financial Risk Management

(a) Categories of financial assets and financial liabilities

	31/03/2014 \$'000	31/03/2013 \$'000	31/12/2013 \$'000
Financial assets			
Hedging instruments (Note 7)	13,495	895	10,356
Cash and bank deposits (Note 9)	387,322	237,237	281,540
Available-for-sale investments	1,012	1,380	1,012
Loans and other receivables	201,302	261,389	204,000
Finance lease receivables (Note 6)	79,988	91,532	82,564
Total financial assets	683,119	592,433	579,472
Financial liabilities			
Hedging instruments (Note 7)	64,772	84,346	62,820
Financial liabilities at fair value through profit or loss (Note 7)	2,979	16,958	6,164
Secured bank loans (Note 13)	2,064,172	1,919,143	1,961,516
Finance lease liabilities (Note 14)	199,940	208,340	202,141
Other loans	798,215	797,717	798,092
Other liabilities measured at amortised cost	232,572	221,804	216,903
Total financial liabilities	3,362,650	3,248,308	3,247,636

(b) Fair value of financial assets and financial liabilities

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

	Carrying Value			Fair Value		
	31/03/2014 \$'000	31/03/2013 \$'000	31/12/2013 \$'000	31/03/2014 \$'000	31/03/2013 \$'000	31/12/2013 \$'000
Financial assets						
Derivative financial instruments	13,495	895	10,356	13,495	895	10,356
Cash and bank deposits	387,322	237,237	281,540	387,322	237,237	281,540
Available-for-sale investments	1,012	1,380	1,012	1,012	1,380	1,012
Loans to joint ventures	71,392	76,033	70,276	66,374	67,780	66,132
Loans and receivables	209,898	276,888	216,288	209,898	276,888	216,288
Total financial assets	683,119	592,433	579,472	678,101	584,180	575,328
Financial liabilities						
Derivative financial instruments	67,751	101,304	68,984	67,751	101,304	68,984
Other liabilities measured at amortised cost	232,572	221,804	216,903	232,572	221,804	216,903
Borrowings at fixed interest rates	166,966	113,038	172,418	167,797	111,693	172,560
Borrowings at floating interest rates	1,897,206	1,806,105	1,789,098	1,901,718	1,702,304	1,790,908
Unsecured loan	798,215	797,717	798,092	760,120	823,000	807,072
Finance lease liabilities	199,940	208,340	202,141	193,698	175,758	193,153
Total financial liabilities	3,362,650	3,248,308	3,247,636	3,323,656	3,135,863	3,249,580

The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices (other than quoted prices included within Level 1) from observable current market transactions and dealer quotes for similar instruments.

The fair values of derivative instruments, including interest rate swaps, are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

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16. Financial Risk Management (Continued)

(b) Fair value of financial assets and financial liabilities (continued)

Fair value measurements of financial instruments recognised in the statement of financial position

The following table provides an analysis of financial instruments as at 31 March 2014, 31 March 2013 and 31 December 2013 that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value valuation inputs are observable.

Recurring fair value measurements of financial instruments recognised in the statement of financial position**At 31 March 2014**

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Derivative financial instruments in designated hedge accounting relationships	-	13,495	-	13,495
	-	13,495	-	13,495
Financial liabilities				
Derivative financial instruments classified at fair value through profit or loss	-	2,979	-	2,979
Derivative financial instruments in designated hedge accounting relationships	-	64,772	-	64,772
	-	67,751	-	67,751

At 31 March 2013

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Derivative financial instruments in designated hedge accounting relationships	-	895	-	895
	-	895	-	895
Financial liabilities				
Derivative financial instruments classified at fair value through profit or loss	-	16,958	-	16,958
Derivative financial instruments in designated hedge accounting relationships	-	84,346	-	84,346
	-	101,304	-	101,304

At 31 December 2013

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Derivative financial instruments in designated hedge accounting relationships	-	10,356	-	10,356
	-	10,356	-	10,356
Financial liabilities				
Derivative financial instruments classified at fair value through profit or loss	-	6,164	-	6,164
Derivative financial instruments in designated hedge accounting relationships	-	62,820	-	62,820
	-	68,984	-	68,984

There were no transfers between Level 1 and 2 during the periods ended 31 March 2014, 31 March 2013 and 31 December 2013.

Non-recurring fair value measurements of financial assets recognised in the statement of financial position**At 31 March 2014**

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Non-current assets held for sale	-	46,560	-	46,560
	-	46,560	-	46,560

At 31 March 2013

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Non-current assets held for sale	-	11,519	-	11,519
	-	11,519	-	11,519

At 31 December 2013

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Non-current assets held for sale	-	49,360	-	49,360
	-	49,360	-	49,360

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16. Financial Risk Management (Continued)

(b) Fair value of financial assets and financial liabilities (continued)

Assets and liabilities for which fair values are disclosed

At 31 March 2014

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Investment property	-	44,214	-	44,214
Derivative financial instruments	-	13,495	-	13,495
Cash and bank deposits	-	387,322	-	387,322
Available-for-sale investments	-	1,012	-	1,012
Loans to joint ventures	-	66,374	-	66,374
Loans and receivables	-	209,898	-	209,898
	-	722,315	-	722,315

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Liabilities				
Derivative financial instruments	-	67,751	-	67,751
Other liabilities measured at amortised cost	-	232,572	-	232,572
Borrowings at fixed interest rates	-	167,797	-	167,797
Borrowings at floating interest rates	-	1,901,718	-	1,901,718
Unsecured loan	760,120	-	-	760,120
Finance lease liabilities	-	193,698	-	193,698
	760,120	2,563,536	-	3,323,656

At 31 March 2013

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Investment property	-	23,400	-	23,400
Derivative financial instruments	-	895	-	895
Cash and bank deposits	-	237,237	-	237,237
Available-for-sale investments	-	1,380	-	1,380
Loans to joint ventures	-	67,780	-	67,780
Loans and receivables	-	276,888	-	276,888
	-	607,580	-	607,580

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Liabilities				
Derivative financial instruments	-	101,304	-	101,304
Other liabilities measured at amortised cost	-	221,804	-	221,804
Borrowings at fixed interest rates	-	111,693	-	111,693
Borrowings at floating interest rates	-	1,702,304	-	1,702,304
Unsecured loan	823,000	-	-	823,000
Finance lease liabilities	-	175,758	-	175,758
	823,000	2,312,863	-	3,135,863

At 31 December 2013

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Investment property	-	44,214	-	44,214
Derivative financial instruments	-	10,356	-	10,356
Cash and bank deposits	-	281,540	-	281,540
Available-for-sale investments	-	1,012	-	1,012
Loans to joint ventures	-	66,132	-	66,132
Loans and receivables	-	216,288	-	216,288
	-	619,542	-	619,542

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Liabilities				
Derivative financial instruments	-	68,984	-	68,984
Other liabilities measured at amortised cost	-	216,903	-	216,903
Borrowings at fixed interest rates	-	172,560	-	172,560
Borrowings at floating interest rates	-	1,790,908	-	1,790,908
Unsecured loan	807,072	-	-	807,072
Finance lease liabilities	-	193,153	-	193,153
	807,072	2,442,508	-	3,249,580

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**Notes to the Condensed Consolidated Financial Statements – 31 March 2014
(Continued)**

16. Financial Risk Management (Continued)

(b) Fair value of financial assets and financial liabilities (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices (other than quoted prices included within Level 1) from observable current market transactions and dealer quotes for similar instruments.

The fair values of derivative instruments, including interest rate swaps, are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

17. Contingent Liabilities

A hearing has been scheduled for 28/29 July 2014 at which the Court will determine whether there should be an enquiry into damages caused by the freezing orders made against some of the defendants in the course of the London proceedings where they seek \$184.1 million in compensation for the losses allegedly suffered by them because of the immobilisation of these funds. Management is of the opinion that the claimed amount is speculative and the likelihood of this claim being successful is remote. The Group will defend its position vigorously. Accordingly, no provision has been made.

18. Related Party Transactions

The Group enters into related party transactions with other Russian State owned and State controlled organisations in the normal course of business. There were no new or material changes to the related party transactions presented in the audited consolidated financial statements of the Group for the period ended 31 December 2013.

19. Events After the Reporting Period

On 9 April 2014 the Group signed two agreements for the sale of the two MR product tankers classified as held for sale as at 31 March 2014. The vessels were delivered to their new owners on 28 April 2014 and 30 May 2014.

On 15 April 2014 and 24 April 2014, the Group delivered to their new owners the asphalt chemical tanker and one of the chemical classified as held for sale as at 31 March 2014.

On 22 May 2014 the Group signed an agreement for the sale of one oil product Handymax tanker classified as held for sale as at 31 March 2014. The vessel will be delivered to her new owners in June 2014.

The Group is not expected to realise any gain or loss on disposal of the above vessels.

On 18 April 2014 the Group signed an agreement for the construction of one multifunctional icebreaking supply vessel at a total contracted cost of \$138.0 million backed with a 20 year time charter, with a five year extension option attached in favour of the charterer. The vessel is estimated to be delivered to the Group in June 2016.

20. Date of Issue

These condensed consolidated financial statements were issued on 4 June 2014.