Metinvest B.V.

Unaudited Interim Condensed Consolidated Financial Information

30 June 2013

Contents

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

All amounts in millions of US dollars

	Note	30 June 2013	31 December 2012 (restated)
ASSETS			
Non-current assets			
Goodwill		964	980
Other intangible assets		907	937
Property, plant and equipment		7,826	8,152
Investments in associates and joint venture	6	828	811
Deferred tax asset		314	261
Other non-current assets		269	273
Total non-current assets		**11,108**	**11,414**
Current assets			
Inventories		1,873	2,113
Income tax prepaid		261	250
Trade and other receivables	7	3,485	3,194
Cash and cash equivalents		376	530
Total current assets		**5,995**	**6,087**
TOTAL ASSETS		**17,103**	**17,501**
EQUITY			
Share capital		0	0
Share premium		5,461	5,461
Other reserves	8	(3,422)	(3,238)
Retained earnings		6,785	6,957
Equity attributable to the owners of the Company		**8,824**	**9,180**
Non-controlling interest		**1,304**	**1,145**
TOTAL EQUITY		**10,128**	**10,325**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	9	2,498	2,654
Seller's notes		112	150
Retirement benefit obligations		719	703
Deferred tax liability		163	170
Other non-current liabilities		84	80
Total non-current liabilities		**3,576**	**3,757**
Current liabilities			
Loans and borrowings	9	1,076	1,384
Seller's notes		90	90
Trade and other payables	10	2,233	1,945
Total current liabilities		**3,399**	**3,419**
TOTAL LIABILITIES		**6,975**	**7,176**
TOTAL LIABILITIES AND EQUITY		**17,103**	**17,501**

Signed and authorized for release on behalf of Metinvest B.V. on 15 November 2013:

Originally signed by Igor Syry – Director B

Originally signed by John W. Macdonald – Director A

	Note	Six months ended 30 June 2013	2012 (restated)
Revenue	5	6,515	6,743
Cost of sales		(5,139)	(5,253)
Gross profit		**1,376**	**1,490**
Distribution costs		(582)	(589)
General and administrative expenses		(189)	(195)
Other operating income / (expenses), net	11	99	(71)
Operating profit		**704**	**635**
Finance income		28	37
Finance costs		(169)	(175)
Share of result of associates and joint venture		15	(9)
Profit before income tax		**578**	**488**
Income tax expense		(135)	(149)
Profit for the period		**443**	**339**
Profit attributable to:			
Owners of the Company		279	184
Non-controlling interests		164	155
Profit for the period		**443**	**339**

Unaudited Interim Condensed Consolidated Statement of Comprehensive Income
All amounts in millions of US dollars

	Note	Six months ended 30 June 2013	2012
Profit for the period		443	339
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		(22)	(21)
Items that will not be reclassified to profit or loss:			
Devaluation of property, plant and equipment		(4)	-
Total other comprehensive income		**(26)**	**(21)**
Total comprehensive income for the period		**417**	**318**
Total comprehensive income attributable to:			
Owners of the Company		254	163
Non-controlling interest		163	155
		417	**318**

All amounts in millions of US Dollars

	Six months ended 30 June 2013	2012 (restated)
Cash flows from operating activities		
Profit before income tax	**578**	**488**
Adjustments for:		
Depreciation of property, plant and equipment and amortisation of intangible assets	531	437
Impairment of property, plant and equipment	8	-
Finance income	(28)	(37)
Finance costs	169	175
Unrealised foreign exchange differences	(20)	9
Change in retirement benefit obligation	(24)	(5)
Share of result of associates and joint venture	(15)	9
Write-offs of inventory	3	(22)
Reversal of impairment of trade receivables	(57)	-
Other non-cash operating (income) / losses	(19)	11
Operating cash flows before working capital changes	**1,126**	**1,065**
Decrease in inventories	255	69
Increase in trade and other accounts receivable	(187)	(409)
Increase in trade and other accounts payable	16	195
Increase in other non-current assets	(3)	(4)
Decrease in other non-current liabilities	-	(2)
Cash generated from operations	**1,207**	**914**
Income taxes paid	(207)	(444)
Interest paid	(114)	(110)
Net cash from operating activities	**886**	**360**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(290)	(380)
Proceeds from sale of property, plant and equipment	39	2
Proceeds from disposal of subsidiaries	-	4
Acquisition of associate	(2)	-
Prepayment issued for interest in Zaporozhstal Group	-	(212)
Proceeds from repayments of loans issued	-	164
Loans issued	(12)	(77)
Interest received	8	59
Proceeds from disposal of other non-current assets	14	-
Net cash used in investing activities	**(243)**	**(440)**
Cash flows from financing activities		
Proceeds from loans and borrowings	260	410
Repayment of loans and borrowings	(326)	(205)
Repayment of seller's notes	(45)	(45)
Net trade financing (repayments) / proceeds	(397)	86
Payment for acquisition of non-controlling interest in subsidiaries	(4)	(7)
Dividends paid	(284)	(238)
Net cash (used in) / generated from financing activities	**(796)**	**1**
Effect of exchange rate changes on cash and cash equivalents	(1)	-
Net decrease in cash and cash equivalents	**(154)**	**(79)**
Cash and cash equivalents at the beginning of the year	**530**	**792**
Cash and cash equivalents at the end of the period	**376**	**713**

All amounts in millions of US Dollars

	Attributable to owners of the Company					Non-controlling interest (NCI)	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
Balance at 1 January 2013 (as previously reported)	**0**	**5,461**	**(3,238)**	**7,052**	**9,275**	**1,160**	**10,435**
Retrospective application of amended IAS 19, Employee Benefits (Note 3)	-	-	-	(95)	**(95)**	(15)	**(110)**
Balance at 1 January 2013 (restated)	**0**	**5,461**	**(3,238)**	**6,957**	**9,180**	**1,145**	**10,325**
Devaluation of property, plant and equipment			(4)		**(4)**		**(4)**
Currency translation differences	-	-	(21)	-	**(21)**	(1)	**(22)**
Other comprehensive income for the period	**-**	**-**	**(25)**	**-**	**(25)**	**(1)**	**(26)**
Profit for the period	-	-	-	279	**279**	164	**443**
Total comprehensive income for the period	-	-	**(25)**	**279**	**254**	**163**	**417**
Realised revaluation reserve	-	-	(159)	159	**-**	-	**-**
Acquisition of non-controlling interest in subsidiaries	-	-	-	-	**-**	(4)	**(4)**
Dividends declared	-	-	-	(610)	**(610)**	-	**(610)**
Balance at 30 June 2013	**0**	**5,461**	**(3,422)**	**6,785**	**8,824**	**1,304**	**10,128**
Balance at 1 January 2012 (as previously reported)	**0**	**5,461**	**(3,818)**	**6,673**	**8,316**	**1,201**	**9,517**
Retrospective application of amended IAS 19, Employee Benefits (Note 3)	-	-	-	(79)	**(79)**	(13)	**(92)**
Balance at 1 January 2012 (restated)	**0**	**5,461**	**(3,818)**	**6,594**	**8,237**	**1,188**	**9,425**
Currency translation differences	-	-	(21)	-	**(21)**	-	**(21)**
Other comprehensive income for the period	**-**	**-**	**(21)**	**-**	**(21)**	**-**	**(21)**
Profit for the period	-	-	-	184	**184**	155	**339**
Total comprehensive income for the period	-	-	**(21)**	**184**	**163**	**155**	**318**
Realised revaluation reserve	-	-	(93)	93	**-**	-	**-**
Acquisition of non-controlling interest in subsidiaries	-	-	-	3	**3**	(5)	**(2)**
Dividends declared by non wholly owned subsidiaries	-	-	-	-	**-**	(434)	**(434)**
Balance at 30 June 2012 (restated)	**0**	**5,461**	**(3,932)**	**6,874**	**8,403**	**904**	**9,307**

All tabular amounts in millions of US Dollars

1 Metinvest B.V. and its operations

Metinvest B.V. (the "Company" or "Metinvest"), is a private limited liability company registered in the Netherlands. The Company is beneficially owned by Mr. Rinat Akhmetov, through various entities commonly referred to as System Capital Management ("SCM").

The Company and its subsidiaries (together referred to as the "Group" or "Metinvest Group") are an integrated steel producer, owning assets in each link of the production chain – from iron ore mining, coking coal mining and coke production, through to semi-finished and finished steel production; as well as pipe rolling and plate/coil production. The steel products, iron ore and coke are sold on both the Ukrainian and export markets.

Until November 2007, the Company was indirectly 100% controlled by SCM (System Capital Management) Limited ("SCM Cyprus").

In November 2007 the Company acquired from parties known as Smart Group ("SMART" or "Smart Group") 82% of PJSC Ingulets Iron Ore Enrichment Works in exchange for the transfer to SMART of 25% of the of the Company. SCM Cyprus and SMART additionally agreed that SMART would contribute their equity interest in JSC Makeyevka Steel Plant ("MMZ") and JSC Promet Steel. In exchange SMART would acquire certain veto rights over the management of the Company. Due to the complexity of the transaction, Promet Steel was acquired in 2009 and MMZ in October 2010. Both MMZ and Promet Steel have been consolidated from 1 January 2009. Following this transaction, Metinvest B.V. was owned 75% by SCM Cyprus and 25% by SMART. It was further agreed that SCM Cyprus will sell/contribute remaining equity interests in certain subsidiaries owned by SCM as at 31 December 2007 and certain other equity investments to Metinvest B.V. As at 30 June 2013, SCM's carrying value of such assets totalled USD 794 million (31 December 2012: USD 665 million). With exception of transactions described in Note 13, as of the date of preparation of this financial information the Shareholders are undecided on the exact mechanism, and at which value these assets will be brought into Metinvest B.V.

In 2011, as part of the acquisition of Ilyich Group, the Company issued 5% of its share capital to the sellers of Ilyich Group.

As of 30 June 2013, Metinvest B.V. is owned 71.25% by SCM Cyprus and 23.75% by companies of the Smart Group, and 5% by a company linked to previous owners of Ilyich Group.

The principal subsidiaries of Metinvest B.V. are presented below:

	Effective % interest as at		Segment	Country of incorporation
Name	**30 June 2013**	**31 December 2012**		
Metinvest Holding LLC	100.0%	100.0%	Corporate	Ukraine
MetalUkr Holding Limited	100.0%	100.0%	Corporate	Cyprus
PJSC Azovstal Iron and Steel Works	96.2%	96.1%	Metallurgical	Ukraine
PJSC Yenakiieve Iron and Steel Works	91.4%	90.7%	Metallurgical	Ukraine
JV Metalen LLC	100.0%	100.0%	Metallurgical	Ukraine
PJSC Khartsyzsk Pipe Plant	98.2%	98.0%	Metallurgical	Ukraine
Ferriera Valsider S.p.A.	70.0%	70.0%	Metallurgical	Italy
Metinvest Trametal S.p.A.	100.0%	100.0%	Metallurgical	Italy
Spartan UK Limited	100.0%	100.0%	Metallurgical	UK
Metinvest International SA	100.0%	100.0%	Metallurgical	Switzerland
Metinvest Eurasia LLC	99.0%	99.0%	Metallurgical	Russia
Metinvest Service Metal Centres LLC	100.0%	100.0%	Metallurgical	Ukraine
Metinvest Ukraine LLC	100.0%	100.0%	Metallurgical	Ukraine
JSC Promet Steel	95.3%	95.3%	Metallurgical	Bulgaria
PJSC Makiivka Iron and Steel Works	90.2%	90.2%	Metallurgical	Ukraine
PJSC Ilyich Iron and Steel Works	99.2%	99.2%	Metallurgical	Ukraine
PSC Ilyich Steel	100.0%	100.0%	Metallurgical	Ukraine
PJSC Avdiivka Coke Plant	92.8%	92.6%	Metallurgical	Ukraine
PJSC Northern Iron Ore Enrichment Works	63.4%	63.3%	Mining	Ukraine
PJSC Central Iron Ore Enrichment Works	76.2%	76.0%	Mining	Ukraine
PJSC Ingulets Iron Ore Enrichment Works	82.5%	82.5%	Mining	Ukraine
OSC Komsomolske Flux Plant	99.7%	99.7%	Mining	Ukraine
United Coal Company LLC	100.0%	100.0%	Mining	USA
PJSC Krasnodon Coal Company	92.7%	92.5%	Mining	Ukraine

As at 30 June 2013, the Group employed approximately 101 thousand people (31 December 2012: 103 thousand).

The Company's registered address is Alexanderstraat 23, 2514 JM, The Hague. The company is registered with the commercial trade register under the number 24321697. The principal places of production facilities of the Group are in Ukraine, Italy, UK and the USA.

2 Operating environment of the Group

The Group is one of the largest mining and steel companies globally and is the largest steel producer in Ukraine.

Ukraine, whose economy is considered to be developing and characterised by relatively high economic and political risks, continues to implement economic reforms and the development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Ukrainian economy is largely dependent upon these reforms and the effectiveness of economic, financial and monetary measures undertaken by government, together with tax, legal, regulatory, and political developments. The developing economies are vulnerable to market downturns and economic slowdowns elsewhere in the world.

Metinvest's financial performance is largely dependent on the global price of and demand for steel and steel products, iron ore and coal. The prices of steel products are influenced by many factors, including global economic conditions, demand, worldwide production capacity, capacity utilisation rates, raw material costs, foreign exchange rates and improvements in steel making processes. In recent years steel prices have experienced significant fluctuations.

Management believes it is taking appropriate measures to support the sustainability of the Group's business in the current circumstances.

All tabular amounts in millions of US Dollars

3 Basis of preparation and significant accounting policies

This interim condensed consolidated financial information for the six months ended 30 June 2013 has been prepared in accordance with IAS 34, "Interim Financial Reporting". The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with IFRS as adopted by EU.

Except as described below, the basis of preparation and accounting policies applied are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2012.

Employee benefits. ***Defined benefit plan***. IAS 19 (revised) which became effective for the first time for the six months period ended 30 June 2013 amended the accounting for employment benefits. The Group has applied the standard retrospectively in accordance with the transitional provisions of the standard. The impact on the Group has been in the following areas:

- The standard requires past service cost to be recognised immediately in profit or loss and actuarial gains and losses to be recognised immediately in other comprehensive income. This has resulted in unrecognised past service cost and actuarial gains and losses, net of deferred tax, of USD 92 million at 1 January 2012 (30 June 2012: USD 87 million; 31 December 2012: USD 110 million) being recognised, with corresponding decrease recorded in equity. The expense recognised in the income statement for the six months period ended 30 June 2012 has reduced by USD 5 million, as the charge to profit or loss for recognized actuarial gains and losses is no longer required.
- 'Retirement benefit obligations' as previously reported have been restated at the reporting dates to reflect the effect of the above. Amounts have been restated as at 1 January 2012 as USD 643 million (previously USD 537 million); 30 June 2012 as USD 679 million (previously USD 573 million) and 31 December 2012 as USD 703 million (previously USD 572 million).
- 'Deferred tax asset' and 'Deferred tax liability' as previously reported have been restated at the reporting dates to reflect the effect of the above. Amounts of 'Deferred tax asset' have been restated as at 1 January 2012 as USD 290 million (previously USD 280 million); 30 June 2012 as USD 302 million (previously USD 287 million) and 31 December 2012 as USD 261 million (previously USD 245 million. Amounts of 'Deferred tax liability' have been restated as at 1 January 2012 as USD 142 million (previously USD 146 million); 30 June 2012 as USD 69 million (previously USD 73 million) and 31 December 2012 as USD 170 million (previously USD 175 million).

Current and deferred taxes. Income tax expense in the interim period is recognised based on management's best estimate of the weighted average effective annual income tax rate expected for the full financial year.

Exchange rate fluctuations. The following table summarises exchange rates of UAH against USD and EUR as of the dates used for translating foreign currency balances:

	30 June 2013	**31 December 2012**
USD/UAH	7.993	7.993
EUR/UAH	10.4101	10.537

4 Adoption of new or revised standards and interpretations

The following standards became effective for the first time for the six months period ended 30 June 2013 and have been adopted by the Group:

- Amended IAS 19, Employee Benefits. Impact of adoption of this standard is disclosed in Note 3;
- Amendments to IAS 1, Presentation of Financial Statements, and IFRS 13, Fair Value Measurement, did not have any significant impact on the Group.

The following new standards and amendments to the standards which are relevant to the Group and have been adopted by the European Union are effective for annual periods beginning on or after 1 January 2014, and have not been early adopted by the Group:

- IFRS 10, Consolidated Financial Statements;
- Amended IAS 28, Investments in Associates and Joint Ventures;
- IFRS 11, Joint Arrangements;
- IFRS 12, Disclosure of Interest in Other Entities.

The following new standard which is relevant to the Group, has been issued, but has not been adopted by the European Union:

- IFRS 9, Financial Instruments Part 1: Classification and Measurement

The Group is currently assessing the possible impact of adoption of the above standards.

All tabular amounts in millions of US Dollars

5 Segment information

The Group is a vertically integrated steel and mining business. A significant portion of the Group's iron ore and coke and coal production is used in its steel production operations.

In million of US Dollars	**Metallurgical**	**Mining**	**Corporate overheads**	**Eliminations**	**Total**
Six months ended 30 June 2013					
Sales – external	4,731	1,784	-	-	**6,515**
Sales to other segments	34	926	-	(960)	-
Total of the reportable segments' revenue	**4,765**	**2,710**		**(960)**	**6,515**
Adjusted EBITDA	**165**	**1,188**	**(58)**	**(52)**	**1,243**
Reconciling items:					
Depreciation and amortisation					(531)
Finance income					28
Finance costs					(169)
Impairment of property, plant and equipment and intangible assets					(8)
Share of result of associates and joint venture					15
Profit before tax					**578**

	Metallurgical	**Mining**	**Corporate overheads**		**Total**
Capital expenditure	117	112	21		**250**
Significant non-cash items included into adjusted EBITDA:					
- reversal of impairment / (impairment) of trade and other receivables	59	(2)	-		**57**

In million of US Dollars	**Metallurgical**	**Mining**	**Corporate overheads**	**Eliminations**	**Total**
Six months ended 30 June 2012					
Sales – external	4,949	1,794	-	-	**6,743**
Sales to other segments	38	1,122	-	(1,160)	-
Total of the reportable segments' revenue	**4,987**	**2,916**	**-**	**(1,160)**	**6,743**
Adjusted EBITDA	**(220)**	**1,352**	**(53)**	**11**	**1,090**
Reconciling items:					
Depreciation and amortisation					(437)
Sponsorship and other charity payments					(18)
Finance income					37
Finance costs					(175)
Share of result of associates and joint venture					(9)
Profit before tax					**488**

	Metallurgical	**Mining**	**Corporate overheads**		**Total**
Capital expenditure	133	250	5	-	**388**

All tabular amounts in millions of US Dollars

6 Investments in associates and joint venture

The principal associates and joint ventures of the Group are as follows:

		30 June 2013		31 December 2012	
Name	**Segment**	**% of ownership**	**Carrying value**	**% of ownership**	**Carrying value**
Zaporozhstal Group	Metallurgical	49.9%	745	49.9%	739
IMU	Metallurgical	49.9%	22	49.9%	22
JSC Donetskkoks	Metallurgical	37.5%	15	37.5%	15
JSC Zaporozhkoks	Metallurgical	25.0%	33	25.0%	32
JSC Zaporozhogneupor	Metallurgical	39.7%	11	-	-
Other	Mining	n/a	2	n/a	3
Total			**828**		**811**

7 Trade and other receivables

	30 June 2013	31 December 2012
Trade receivables and receivables on commission sales	1,910	1,680
Receivables for bonds and promissory notes sold	362	361
Loans issued to related parties	286	274
Interest accrued on loans issued to related parties	46	35
Receivables for disposal of subsidiaries and associates	176	176
Receivables for deposit certificates sold	58	58
Receivables for property, plant and equipment sold	40	39
Other financial receivables	145	138
Total financial assets	**3,023**	**2,761**
Recoverable value added tax	219	273
Prepayments made	167	103
Other receivables	76	57
Total trade and other receivables	**3,485**	**3,194**

All tabular amounts in millions of US Dollars

8 Other reserves

	Revaluation of available-for-sale investments and share in equity of associates	Revaluation of property, plant and equipment	Merger reserve	Cumulative currency translation reserve	Total
Balance as at 1 January 2013	**(13)**	**2,137**	**(2,987)**	**(2,375)**	**(3,238)**
Total comprehensive income for the period	-	(4)	**-**	(21)	**(25)**
Depreciation transfer, net of tax	-	(159)	**-**	-	**(159)**
Balance as at 30 June 2013	**(13)**	**1,974**	**(2,987)**	**(2,396)**	**(3,422)**

	Revaluation of available-for-sale investments and share in equity of associates	Revaluation of property, plant and equipment	Merger reserve	Cumulative currency translation reserve	Total
Balance as at 1 January 2012	**(13)**	**1,584**	**(2,987)**	**(2,402)**	**(3,818)**
Total comprehensive income for the period	-	-	**-**	(21)	**(21)**
Depreciation transfer, net of tax	-	(93)	**-**	-	**(93)**
Balance as at 30 June 2012	**(13)**	**1,491**	**(2,987)**	**(2,423)**	**(3,932)**

9 Loans and borrowings

	30 June 2013	31 December 2012
Non-current		
Bank borrowings	1,261	1,419
Bonds	1,237	1,235
	2,498	**2,654**
Current		
Bank borrowings	617	519
Trade finance	429	835
Bonds	30	30
	1,076	**1,384**
Total loans and borrowings	**3,574**	**4,038**

In April 2013 the Group increased three-year loan originally attracted in 2012 in the amount of USD 300 million to USD 560 million.

In April 2013 the Group repaid two credit lines from Sberbank and ING Ukraine in the amount of USD 175 million and USD 85 million respectively.

As at 30 June 2013, the fair value of bonds was USD 1,231 million (31 December 2012: USD 1,245 million) as determined by reference to observable market quotations. The fair value of bank borrowings was USD 1,827 million (31 December 2012: USD 1,907 million) as estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity. As at 30 June 2013 and 31 December 2012, the fair value of trade finance borrowings is approximately equal to their carrying value.

All tabular amounts in millions of US Dollars

10 Trade and other payables

	30 June 2013	31 December 2012
Trade payables and payables on sales made on commission	1,299	1,292
Dividends payable to shareholders of Metinvest B.V.	329	-
Dividends payable to non-controlling shareholders of Company subsidiaries	13	16
Payable for acquired property, plant and equipment, intangibles	95	140
Other financial liabilities	33	28
Total financial liabilities	**1,769**	**1,476**
Prepayments received	236	241
Accruals for employees' unused vacations and other payments to employees	84	100
Income tax payable	12	11
Other taxes payable	62	55
Wages and salaries payable	39	33
Other allowances	31	29
Total trade and other payables	**2,233**	**1,945**

As at 30 June 2013, the Group has contractual capital expenditure commitments in respect of property, plant and equipment totalling USD 233 million (31 December 2012: USD 157 million).

11 Other operating income / (expenses), net

Other operating income and expenses for the six months ended 30 June were as follows:

	30 June 2013	30 June 2012
Reversal of impairment of trade and other receivables	57	-
Maintenance of social infrastructure	(30)	(28)
Foreign exchange gains less losses	20	(17)
Sponsorship and other charity payments	(4)	(27)
Other income / (expenses), net	56	1
Total other operating income / (expenses), net	**99**	**(71)**

The reversal of impairment of trade and other receivables was recognised as the amounts due from one of the key customers of the Group that were previously written down were received during the first half of 2013.

All tabular amounts in millions of US Dollars

12 Balances and transactions with related parties

Unless stated otherwise, other related parties are related through common control under SCM. As at 30 June 2013 and 31 December 2012 significant balances outstanding with related parties are detailed below:

					30 June 2013					**31 December 2012**
	SCM	**Asso-ciates**	**Joint venture**	**Other related parties**	**Smart Group**	**SCM**	**Asso-ciates**	**Joint venture**	**Other related parties**	**Smart Group**
ASSETS										
Other non-current assets, including:	**-**	**-**	**98**	**131**	**-**	**-**	**-**	**98**	**124**	**-**
Long-term loans issued	-	-	98	43	-	-	-	98	41	-
Other non-current assets	-	-	-	88	-	-	-	-	83	-
Trade and other receivables, including:	**551**	**55**	**381**	**465**	**104**	**543**	**40**	**333**	**452**	**86**
Trade receivables and receivables on commission sales	-	55	270	73	9	-	40	272	68	6
Prepayments made	-	-	108	9	-	-	-	59	3	-
Receivables for promissory notes and bonds sold	142	-	2	210	-	140	-	2	210	-
Loans issued	185	-	-	19	81	185	-	-	19	70
Interest accrued on loans issued	31	-	-	1	14	25	-	-	-	10
Receivables for disposal of subsidiaries and associates	171	-	-	5	-	171	-	-	5	-
Receivables for deposit certificates sold	20	-	-	32	-	20	-	-	32	-
Other financial receivables	2	-	1	116	-	2	-	-	115	-
Cash and cash equivalents	**-**	**-**	**-**	**229**	**-**	**-**	**-**	**-**	**119**	**-**

					30 June 2013					**31 December 2012**
	SCM	**Asso-ciates**	**Joint venture**	**Other related parties**	**Smart Group**	**SCM**	**Asso-ciates**	**Joint venture**	**Other related parties**	**Smart Group**
LIABILITIES										
Non-current liabilities, including:	**-**	**-**	**1**	**1**	**-**	**-**	**-**	**-**	**1**	**-**
Other non-current liabilities	-	-	1	1	-	-	-	-	1	-
Trade and other payables, including:	**220**	**59**	**75**	**230**	**518**	**2**	**48**	**48**	**205**	
Dividends payable	219	-	-	-	110	1	1	-	-	-
Trade payables and payables on sales made on commission	-	48	75	154	408	-	44	47	135	-
Prepayments received	-	10		73	-	-	3	-	66	-
Other financial liabilities	1	1	-	3	-	1	-	1	4	-

All tabular amounts in millions of US Dollars

12 Balances and transactions with related parties (continued)

Significant transactions (excluding purchases) with related parties during the six months ended 30 June 2013 are detailed below:

	SCM	Associates	Joint venture	Other related parties	Smart Group	Total
Sales, including:	**-**	**116**	**220**	**75**	**25**	**436**
Steel	-	4	6	29	9	**48**
Scrap metal	-	-	64	3	-	**67**
Coke and coking coal	-	102	9	36	-	**147**
Iron ore	-	-	139	1	-	**140**
Other	-	10	2	6	16	**34**
Finance income, including:	**8**	**-**	**5**	**7**	**4**	**24**
Interest income	6	-	5	3	4	**18**
Other finance income	2	-	-	4	-	**6**

Significant transactions (excluding purchases) with related parties during the six months ended 30 June 2012 are detailed below:

	SCM	Associates	Joint venture	Other related parties	Smart Group	Total
Sales, including:	**-**	**443**	**-**	**38**	**-**	**481**
Steel	-	3	-	34	-	**37**
Scrap metal	-	79	-	-	-	**79**
Coke and coking coal	-	183	-	-	-	**183**
Iron ore	-	159	-	-	-	**159**
Other	-	19	-	4	-	**23**
Other operating income / (expense), net		**(1)**	**-**	**(19)**		**(20)**
Sponsorship and other charity payments	-	-	-	(18)	-	**(18)**
Other	-	(1)	-	(1)	-	**(2)**
Finance income, including:	**14**	**5**	**-**	**6**	**3**	**28**
Interest income	12	5	-	1	3	**21**
Other finance income	2	-	-	5	-	**7**

All tabular amounts in millions of US Dollars

12 Balances and transactions with related parties (continued)

The following is a summary of purchases from related parties during the six months ended 30 June 2013:

	SCM	Associates	Joint venture	Other related parties	Smart Group	Total
Purchases, including:	**-**	**41**	**678**	**826**	**40**	**1,585**
Steel products	-	-	662	7	-	**669**
Coke and coking coal	-	37	2	79	-	**118**
Raw materials and spare parts	-	2	7	118	40	**167**
Electricity	-	-	-	474	-	**474**
Fuel	-	-	-	4	-	**4**
Services	-	-	-	123	-	**123**
Other	-	2	7	21	-	**30**

The following is a summary of purchases from related parties during the six months ended 30 June 2012:

	SCM	Associates	Joint venture	Other related parties	Smart Group	Total
Purchases, including:	**-**	**271**	**-**	**671**	**-**	**942**
Steel products	-	200	-	-	-	**200**
Coke and coking coal	-	66	-	56	-	**122**
Raw materials and spare parts	-	4	-	155	-	**159**
Electricity	-	-	-	419	-	**419**
Fuel	-	-	-	2	-	**2**
Services	-	-	-	25	-	**25**
Other	-	1	-	14	-	**15**

During the six months ended 30 June 2013, the remuneration of key management personnel of the Group comprised current salaries and related bonuses totalling USD 5.6 million (six months ended 30 June 2012: USD 6.9 million).

Recent court practice related to application of tax legislation regulating transactions with related parties shows increased risk of challenge by tax authorities of approaches used historically by the Group for tax accounting of transactions with related parties. As described in Note 5, the Group's operations are vertically integrated and a significant portion of the Group's iron ore and coke and coal production is used in its steel production operations. Management is assessing the impact of recent court practice on the Group financial statements.

13 Events after the balance sheet date

In July 2013, the Group acquired minority stakes of the existing subsidiaries and associates from SCM: 23.5% of shares in PJSC Central Iron Ore Enrichment Works, 15.0% of shares in PJSC Northern Iron Ore Enrichment Works, 26.0% of shares in JSC Zaporozhkoks, 31.3% of shares in JSC Donetskkoks and 40.0% of shares in PrJSC Yenakievskiy Koksohimprom for the total purchase consideration of USD 882 million.

As a result, JSC Zaporozhkoks and JSC Donetskkoks became subsidiaries of the Group; as of the date this interim financial information is authorised for issue, the initial accounting for these acquisitions is incomplete as management is in the process of assessing the fair values of certain assets and liabilities and gathering other information required for disclosure.

In addition the Group acquired 3.1% of shares in PJSC Ingulets Iron Ore Enrichment Works from SMART for USD 104 million.