



Kcell KCELL JSC

**International Financial Reporting Standards
Financial Statements
for the nine months period ended 30 September 2013
(Unaudited)**

Translated from the original version in Russian

KCELL JSC
Consolidated Statement of Financial Position (Unaudited)

<i>In thousands of Kazakhstani Tenge</i>	Note	30 September 2013 Unaudited	31 December 2012 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	4	109,960,787	110,336,802
Intangible assets	5	14,606,033	16,139,754
Other non-current assets	6	3,362,597	3,121,627
Total non-current assets		127,929,417	129,598,183
Current assets			
Inventories		673,848	977,772
Trade and other receivables	7	10,053,079	14,364,046
Prepaid current tax		1,610,186	1,596,283
Due from related parties		32,246	29,546
Cash and cash equivalents		5,193,851	3,075,138
Total current assets		17,563,210	20,042,785
TOTAL ASSETS		145,492,627	149,640,968
EQUITY			
Share capital	8	33,800,000	33,800,000
Retained earnings		45,129,507	32,403,052
TOTAL EQUITY		78,929,507	66,203,052
LIABILITIES			
Non-current liabilities			
Deferred income tax liability	14	5,800,099	5,104,217
Other non-current liabilities		988,203	988,203
Total non-current liabilities		6,788,302	6,092,420
Current liabilities			
Borrowings	10	30,529,559	48,990,985
Trade and other payables	9	19,954,771	21,256,936
Due to related parties		408,301	318,187
Deferred revenue	11	6,203,344	6,011,022
Taxes payable		2,678,843	768,366
Total current liabilities		59,774,818	77,345,496
TOTAL LIABILITIES		66,563,120	83,437,916
TOTAL LIABILITIES AND EQUITY		145,492,627	149,640,968
Book value per common share (tenge)	16	321.62	250.32

KCELL JSC
Consolidated Statement of Comprehensive Income (Unaudited)

<i>In thousands of Kazakhstani Tenge</i>	Note	For nine months ended	
		30 September 2013 Unaudited	30 September 2012 Unaudited
Revenues	12	138,072,752	133,103,536
Cost of sales	13	(59,131,530)	(55,604,048)
Gross profit		78,941,222	77,499,488
Selling and marketing expenses	13	(12,572,302)	(12,107,750)
General and administrative expenses	13	(7,901,999)	(8,082,826)
Other operating income		404,490	371,642
Other operating expenses		(122,387)	(82,579)
Operating profit		58,749,024	57,597,975
Finance income		284,048	103,983
Finance expense		(1,968,767)	(18,813)
Profit before income tax		57,064,305	57,683,145
Income tax expense	14	(11,935,944)	(11,610,663)
Profit for the year		45,128,361	46,072,482
Other comprehensive income		-	-
Total comprehensive income for the year		45,128,361	46,072,482
Earnings per share (Kazakhstani Tenge), basic and diluted	8	225.64	230.36

KCELL JSC
Consolidated Statement of Changes in Equity (Unaudited)

<i>In thousands of Kazakhstani Tenge</i>	Charter / Share capital	Retained earnings	Total equity
Balance at 1 January 2012	3,914,895	116,337,563	120,252,458
Total comprehensive income for the year	-	46,072,482	46,072,482
Transformation from LLP to JSC	29,885,105	(29,885,105)	-
Dividends declared	-	(115,877,439)	(115,877,439)
Balance at 30 September 2012	33,800,000	16,647,501	50,447,501
Balance at 1 January 2013	33,800,000	32,403,052	66,203,052
Total comprehensive income for the year	-	45,128,455	45,128,455
Dividends declared	-	(32,402,000)	(32,402,000)
Balance at 30 September 2013	33,800,000	45,129,507	78,929,507

KCELL JSC
Notes to the Consolidated Financial Statements (Unaudited)

	For nine months ended	
	30 September 2013 Unaudited	30 September 2012 Unaudited
<i>In thousands of Kazakhstani Tenge</i>		
Cash flows from operating activities		
Net income	45,128,455	46,072,482
Adjustments for:		
Depreciation of property, plant and equipment	15,878,376	13,879,689
Amortisation of intangible assets	1,533,721	3,025,766
Income taxes	(136,780)	(677,451)
Impairment of trade receivables	490,099	161,996
Finance costs	1,684,717	-
Losses less gains on disposal of property, plant and equipment and intangible assets	137,956	60,855
Operating cash flows before working capital changes	64,716,544	62,523,337
Trade and other receivables	3,820,868	(1,478,262)
Due from related parties	(2,700)	2,173,150
Inventories	303,924	874,240
Taxes payable	2,729,236	(291,915)
Trade and other payables	6,697,835	737,441
Due to related parties	90,114	(65,149)
Deferred revenues	192,322	(1,267,821)
Restricted cash	(8,811)	(506,182)
Cash generated from operations	78,539,332	62,698,839
Interest paid	(1,696,143)	-
Net cash from operating activities	76,843,189	62,698,839
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,254,759)	(17,624,103)
Purchase of intangible assets	(617,717)	(2,233,255)
Net cash used in investing activities	(15,872,476)	(19,857,358)
Cash flows from financing activities		
Proceeds from borrowing	22,950,000	4,999,000
Repayment of borrowing	(41,400,000)	-
Dividends paid	(40,402,000)	(48,116,200)
Net cash used in financing activities	(58,852,000)	(43,117,200)
Net increase / (decrease) in cash and cash equivalents	2,118,713	(275,719)
Cash and cash equivalents at beginning of the year	3,075,138	1,352,996
Cash and cash equivalents at end of the year	5,193,851	1,077,277