



Kazakhtelecom JSC

Unaudited interim condensed
consolidated financial statements

30 September 2015

CONTENTS

Unaudited interim condensed consolidated financial statements

Interim condensed consolidated statement of financial position.....	1-2
Interim condensed consolidated statement of comprehensive income.....	3-4
Interim condensed consolidated statement of changes in equity	5
Interim condensed consolidated statement of cash flows	6-7
Notes to the interim condensed consolidated financial statements	8-23

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**As at 30 September 2015**

<i>In thousands of tenge</i>	Notes	30 September 2015 (unaudited)	31 December 2014 (audited)
Assets			
Non-current assets			
Property and equipment	5	301,915,278	308,471,725
Intangible assets	6	22,064,051	24,531,269
Advances paid for non-current assets		1,431,358	207,263
Deferred tax asset		1,670,279	1,679,830
Other non-current financial assets		10,189,416	11,884,667
Other non-current assets		3,292,725	4,916,543
		340,563,107	351,691,297
Current assets			
Inventories		8,235,702	5,934,046
Trade accounts receivable	8	25,281,323	20,764,872
Prepayments		1,199,559	992,346
Income tax prepaid		517,631	1,054,311
Other financial assets	9	15,704,377	21,362,797
Other current assets		4,711,583	6,213,467
Cash and cash equivalents	10	27,732,046	8,729,297
		83,382,221	65,051,136
Assets classified as held for sale	11	-	951,019
Total assets		423,945,328	417,693,452

The accompanying notes on pages 8 to 23 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

<i>In thousands of tenge</i>	Notes	30 September 2015 (unaudited)	31 December 2014 (audited)
Equity and liabilities			
Equity attributable to equity holders of the parent			
Charter capital		12,136,529	12,136,529
Treasury shares		(6,456,161)	(6,398,619)
Currency translation reserve		12,169	(69,350)
Other capital reserve		1,820,479	1,820,479
Retained earnings		286,140,982	263,644,674
		293,653,998	271,133,713
Non-controlling interests		(1,081,920)	(824,365)
Total equity		292,572,078	270,309,348
Non-current liabilities			
Borrowings	12	54,577,068	56,426,152
Finance lease liabilities		5,383,046	10,629,340
Deferred tax liability		18,300,366	16,466,369
Employee benefit liability		4,976,842	5,055,066
Debt component of preferred shares		865,069	876,845
Other non-current liabilities	13	7,306,736	7,650,255
		91,409,127	97,104,027
Current liabilities			
Borrowings	12	4,996,279	5,762,823
Current portion of finance lease liabilities		5,022,674	7,519,979
Current portion of employee benefit liability		973,626	742,288
Accounts payable		12,171,351	21,401,773
Advances received		3,490,728	3,733,540
Income tax payable		3,094,182	110,742
Other current liabilities	13	10,215,283	11,008,932
		39,964,123	50,280,077
Total liabilities		131,373,250	147,384,104
Total equity and liabilities		423,945,328	417,693,452
Book value per one ordinary share, Tenge		25,230	22,913
Book value per one preferred share of the first group, Tenge		8,938	8,668

Chief Financial Director



Nurkayeva A.N.

Zhumanova M.A.

Chief Accountant

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2015

<i>In thousands of tenge</i>	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2015 (unaudited)	2014 (unaudited)	2015 (unaudited)	2014 (unaudited)
Revenue	14	55,228,628	49,895,284	160,759,758	143,512,417
Compensation for provision of universal services in rural areas		1,648,649	2,067,930	4,945,956	5,199,696
		56,877,277	51,963,214	165,705,714	148,712,113
Cost of revenue	15	(39,864,818)	(35,865,790)	(112,013,745)	(104,110,707)
Gross profit		17,012,459	16,097,424	53,691,969	44,601,406
General and administrative expenses		(5,173,914)	(4,478,794)	(16,431,357)	(15,833,605)
Selling expenses		(1,384,000)	(1,490,003)	(4,232,546)	(3,330,491)
Operating profit		10,454,545	10,128,627	33,028,066	25,437,310
Finance costs		(1,683,654)	(2,013,874)	(5,738,855)	(5,307,737)
Finance income		663,502	678,472	2,070,827	1,947,477
Net foreign exchange loss	16	(446,732)	352,563	(862,237)	(7,501,385)
Loss from disposal of property and equipment		(34,226)	(124,193)	(231,570)	(317,257)
Other income		1,146,290	1,003,501	3,617,647	2,690,358
Other expense		(371,487)	(119,108)	(810,039)	(644,434)
Profit for the period before tax		9,728,238	9,905,988	31,073,839	16,304,332
Income tax expense	17	(2,201,456)	(2,630,050)	(7,762,490)	(6,392,365)
Profit for the period		7,526,782	7,275,938	23,311,349	9,911,967
Attributable to:					
Owners of the parent		7,730,350	7,353,974	23,568,904	10,140,944
Non-controlling interest		(203,568)	(78,036)	(257,555)	(228,977)

The accompanying notes on pages 8 to 23 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

<i>In thousands of tenge</i>	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2015 (unaudited)	2014 (unaudited)	2015 (unaudited)	2014 (unaudited)
Other comprehensive income					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations		31,192	11,307	81,519	21,218
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		31,192	11,307	81,519	21,218
<i>Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gains/(losses) on defined benefit plans, net of tax		-	-	16,963	(70,812)
Net other comprehensive income/(loss) not being reclassified to profit or loss in subsequent periods		-	-	16,963	(70,812)
Other comprehensive income/(loss) for the period, net of tax		31,192	11,307	98,482	(49,594)
Total comprehensive income for the period, net of tax		7,557,974	7,287,245	23,409,831	9,862,373
Attributable to:					
Owners of the parent		7,761,542	7,365,281	23,667,386	10,091,350
Non-controlling interest		(203,568)	(78,036)	(257,555)	(228,977)
		7,557,974	7,287,245	23,409,831	9,862,373
Earnings per share					
<i>Basic and diluted, profit for the period attributable to equity holders of the parent, tenge</i>					
	18	702.96	668.11	2,143.17	924.91

Chief Financial Director



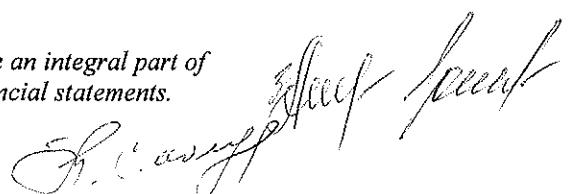
Nurkeeva A.N.

Chief Accountant



Zhumanova M.A.

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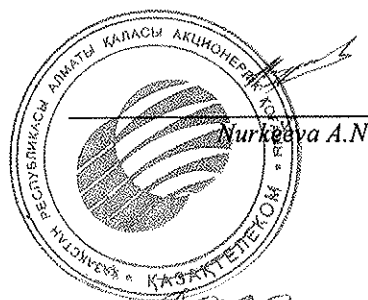


INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2015

In thousands of tenge	Attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Charter capital	Treasury shares	Currency translation reserve	Other capital reserves	Retained earnings			
At 1 January 2014	12,136,529	(6,290,144)	(12,208)	1,820,479	257,903,737	265,558,393	(55,058)	265,503,335
Profit/(loss) for the period (unaudited)	-	-	-	-	10,140,944	10,140,944	(228,977)	9,911,967
Other comprehensive income/(loss) (unaudited)	-	-	21,218	-	(70,812)	(49,594)	-	(49,594)
Total comprehensive income/(loss) (unaudited)	-	-	21,218	-	10,070,132	10,091,350	(228,977)	9,862,373
Treasury shares purchased (unaudited)	-	34,336	-	-	-	34,336	-	34,336
Changes of share in subsidiaries (unaudited)	-	-	-	-	(42,932)	(42,932)	(10,038)	(52,970)
At 30 September 2014 (unaudited)	12,136,529	(6,255,808)	9,010	1,820,479	267,930,937	275,641,147	(294,073)	275,347,074
At 1 January 2015	12,136,529	(6,398,619)	(69,350)	1,820,479	263,644,674	271,133,713	(824,365)	270,309,348
Profit/(loss) for the period (unaudited)	-	-	-	-	23,568,904	23,568,904	(257,555)	23,311,349
Other comprehensive income (unaudited)	-	-	81,519	-	16,963	98,482	-	98,482
Total comprehensive income/(loss) (unaudited)	-	-	81,519	-	23,585,867	23,667,386	(257,555)	23,409,831
Treasury shares purchased (unaudited)	-	(57,542)	-	-	-	(57,542)	-	(57,542)
Dividends (unaudited) (Note 20)	-	-	-	-	(1,089,559)	(1,089,559)	-	(1,089,559)
At 30 September 2015 (unaudited)	12,136,529	(6,456,161)	12,169	1,820,479	286,140,982	293,653,998	(1,081,920)	292,572,078

Chief Financial Director



Chief Accountant

Caqa
 Zhumanova M.A

The accompanying notes on pages 8 to 23 are an integral part of these interim condensed consolidated financial statements.

Chief Accountant
S. G. G. G.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**For the nine months ended 30 September 2015**

<i>In thousands of tenge</i>	Notes	30 September 2015 (unaudited)	30 September 2014 (unaudited)
Operating activities			
Profit before tax		31,073,839	16,304,332
Adjustments for:			
Depreciation of property and equipment	4	24,050,863	25,794,782
Amortization of intangible assets	4	3,081,763	2,683,425
Change in deferred revenues		52,876	66,841
Change in employee benefit liability		153,117	(81,733)
Foreign exchange loss		4,215,309	7,353,809
Provision for doubtful debts		1,146,993	381,422
Reversal of NRV write down		356,455	743,789
Finance costs		5,738,855	5,307,737
Finance income		(2,070,827)	(1,947,477)
Loss from disposal of property and equipment		231,570	317,257
Working capital adjustments:			
Change in trade accounts receivable		(5,384,619)	(8,768,176)
Change in inventories		(2,697,953)	(3,234,956)
Change in other current and non-current assets		(1,356,925)	2,579,282
Change in prepayments		(209,423)	182,403
Change in accounts payable		(3,127,267)	(1,445,905)
Change in advances received		(242,812)	(919,967)
Change in other current liabilities		143,113	285,869
Cash generated from operations		55,154,927	45,602,734
Dividends paid	20	(1,076,327)	(28,110,696)
Income taxes paid		(2,493,197)	(3,356,662)
Interest paid		(5,172,208)	(4,564,013)
Interest received		542,413	175,922
Net cash flows from operating activities		46,955,608	9,747,285
Investing activities			
Purchase of property and equipment		(22,629,941)	(29,283,616)
Purchase of intangible assets		(608,794)	(1,930,221)
Proceeds from sale of property and equipment		111,964	120,568
Deposits placed		(6,039,475)	(13,060,675)
Refund on deposits		17,098,144	4,761,204
Long-term loans to employees		(1,614,841)	(1,907,524)
Loans repaid by employees		169,756	179,820
Restricted cash placed		(208,600)	-
Restricted cash returned		193,160	4,056,059
Financial aid returned		-	25,000
Dividends received		43	-
Net cash flows used in investing activities		(13,528,584)	(37,039,385)

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**For the nine months ended 30 September 2015**

<i>In thousands of tenge</i>	Notes	30 September 2015 (unaudited)	30 September 2014 (unaudited)
Financing activities			
Proceeds from borrowings		8,938,376	9,130,771
Repayment of borrowings		(22,456,440)	(9,779,064)
Financial aid paid		-	(34,998)
Purchase of share in subsidiary		-	(42,377)
Repurchase of treasury shares		(70,000)	(33,000)
Repayment of finance lease liabilities		(7,460,579)	(5,281,021)
Net cash flows used in financing activities		(21,048,643)	(6,039,689)
Impact of foreign exchange difference on cash and cash equivalents		6,624,368	259,417
Net increase/(decrease) in cash and cash equivalents during the period		12,378,381	(33,331,789)
Cash and cash equivalents at 1 January		8,729,297	42,352,823
Cash and cash equivalents at 30 September	10	27,732,046	9,280,451


Non-cash transactions are disclosed in *Note 19*.

Chief Financial Director



Murkeeva A.N.

Chief Accountant



Zhumanova M.A.

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