



Kazakhtelecom JSC

Unaudited Interim Condensed
Consolidated Financial Statements

30 June 2013

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Unaudited Interim Condensed Consolidated Financial Statements

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INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

<i>In thousands of tenge</i>	Notes	30 June 2013 (unaudited)	31 December 2012 (audited)
ASSETS			
Non-current assets			
Property and equipment	6	256,449,751	257,308,842
Intangible assets	7	22,728,183	16,216,520
Advances paid for non-current assets		1,563,350	248,421
Deferred tax asset		102,420	108,151
Other non-current assets		15,311,372	15,383,368
		296,155,076	289,265,302
Current assets			
Inventories		6,342,109	4,692,179
Trade accounts receivable	8	20,301,896	17,411,450
Prepayments		1,508,292	809,544
Income tax prepaid		660,252	2,108,774
Other financial assets	9	52,042,034	45,234,299
Other current assets		6,323,877	6,271,461
Cash and cash equivalents	10	37,496,683	53,466,201
		124,675,143	129,993,908
TOTAL ASSETS		420,830,219	419,259,210
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Charter capital		12,136,529	12,136,529
Treasury shares		(6,262,031)	(6,019,715)
Currency translation reserve		4,008	(4,576)
Other capital reserve		1,820,479	1,820,479
Retained earnings		277,430,338	268,816,693
		285,129,323	276,749,410
Non-controlling interests		(79,354)	(1,911)
Total equity		285,049,969	276,747,499

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

<i>In thousands of tenge</i>	Notes	30 June 2013 (unaudited)	31 December 2012 (audited)
Non-current liabilities			
Borrowings	11	60,547,141	63,785,730
Finance lease liabilities		7,948,379	10,125,646
Deferred tax liability		14,013,419	12,537,430
Employee benefit liability		5,037,577	4,818,099
Debt component of preferred shares	19	889,484	894,065
Other non-current liabilities	12	4,452,236	4,470,476
		92,888,236	96,631,446
Current liabilities			
Borrowings	11	11,167,444	11,349,815
Current portion of finance lease liabilities		5,190,055	6,067,658
Current portion of employee benefit liability		384,294	354,137
Accounts payable		12,515,705	15,635,557
Advances received		3,003,746	3,387,458
Income tax payable		1,516,533	8,061
Other current liabilities	12	9,114,237	9,077,579
		42,892,014	45,880,265
		135,780,250	142,511,711
TOTAL EQUITY AND LIABILITIES		420,830,219	419,259,210

Book value per share, Tenge 23,905 23,741

Book value per one preferred share of the first group, Tenge 3,117 3,112

The accompanying notes on pages 8 to 24 are an integral part of these interim condensed consolidated financial statements.

Chief Financial Director

Chief Accountant



Nurkatov A. A.

Baishymurova G. Zh.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013

<i>In thousands of tenge</i>	Notes	30 June 2013 (unaudited)	30 June 2012 (unaudited)
Continuing operations			
Revenue	13	88,689,814	83,496,767
Compensation for provision of universal services in rural areas	18	2,511,076	2,654,316
		91,200,890	86,151,083
Cost of revenue	14	(63,519,569)	(57,363,321)
Gross profit		27,681,321	28,787,762
General and administrative expenses		(9,549,752)	(9,455,168)
Selling expenses		(2,046,716)	(1,954,605)
Operating profit		16,084,853	17,377,989
Finance costs		(4,971,925)	(4,713,792)
Finance income		2,455,222	1,915,485
Net foreign exchange loss		(79,929)	(760,559)
Loss from disposal of property and equipment	6	(89,797)	(97,327)
Other income		1,066,237	931,376
Profit for the period from continuing operations before tax		14,464,661	14,653,172
Income tax expense	15	(3,856,135)	(3,152,773)
Profit for the period from continuing operations		10,608,526	11,500,399
Discontinued operations			
Profit after tax for the period from discontinued operations	16	-	201,996,328
Profit for the period		10,608,526	213,496,727
Attributable to:			
Owners of the parent		10,685,969	213,538,772
Non-controlling interest		(77,443)	(42,045)
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		8,584	2,176
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		8,584	2,176
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>			
Actuarial losses on defined benefit plans		(293,070)	-
Net other comprehensive loss not being reclassified to profit or loss in subsequent periods		(293,070)	-
Other comprehensive (loss) / income, net of tax		(284,486)	2,176
Total comprehensive income, net of tax		10,324,040	213,498,903
Attributable to:			
Owners of the parent		10,401,483	213,540,948
Non-controlling interest		(77,443)	(42,045)
		10,324,040	213,498,903

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

For the six months ended 30 June 2013

Notes	30 June 2013 (unaudited)	30 June 2012 (unaudited)
Earnings per share		
Basic and diluted, profit for the period attributable to equity holders of the parent, tenge	971	18,859
Earnings per share for continuing operations		
Basic and diluted, profit for the period from continuing operations attributable to equity holders of the parent, tenge	971	1,024

The accompanying notes on pages 8 to 24 are an integral part of these interim condensed consolidated financial statements

Chief Financial Director

Chief Accountant



Nurkatov A. A.

Baishumurova G. Zh.

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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2013

<i>In thousands of tenge</i>	Attributable to owners of the parent					Total	Non-controlling interest	Total equity
	Charter capital	Treasury shares	Currency translation reserve	Other capital reserves	Retained earnings			
At 1 January 2012	12,136,529	(2,652,860)	(15,997)	1,820,479	271,629,837	282,917,988	(15,722)	282,902,266
Profit for the period (unaudited)	-	-	-	-	213,538,772	213,538,772	(42,045)	213,496,727
Other comprehensive income (unaudited)	-	-	2,176	-	-	2,176	-	2,176
Total comprehensive income (unaudited)	-	-	2,176	-	213,538,772	213,540,948	(42,045)	213,498,903
Dividends (unaudited) (Note 19)	-	-	-	-	(225,102,475)	(225,102,475)	-	(225,102,475)
At 30 June 2012 (unaudited)	12,136,529	(2,652,860)	(13,821)	1,820,479	260,066,134	271,356,461	(57,767)	271,298,694
At 1 January 2013	12,136,529	(6,019,715)	(4,576)	1,820,479	268,816,693	276,749,410	(1,911)	276,747,499
Profit for the period (unaudited)	-	-	-	-	10,685,969	10,685,969	(77,443)	10,608,526
Other comprehensive income (unaudited)	-	-	8,584	-	(293,070)	(284,486)	-	(284,486)
Total comprehensive income (unaudited)	-	-	8,584	-	10,392,899	10,401,483	(77,443)	10,324,040
Treasury shares purchased	-	(242,316)	-	-	-	(242,316)	-	(242,316)
Dividends (unaudited) (Note 19)	-	-	-	-	(1,779,254)	(1,779,254)	-	(1,779,254)
At 30 June 2013 (unaudited)	12,136,529	(6,262,031)	4,008	1,820,479	277,430,338	285,129,323	(79,354)	285,049,969

The accompanying notes on pages 8 to 24 are an integral part of these interim condensed consolidated financial statements.

Chief Financial Director

Chief Accountant



Nurkatov A. A.

Baishumurova G. Zh.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2013

<i>In thousands of tenge</i>	Notes	30 June 2013 (unaudited)	30 June 2012 (unaudited)
Operating activities			
Profit before tax from continuing operations		14,464,661	14,653,172
Profit before tax from discontinued operations	16	-	201,996,328
Profit before tax		14,464,661	216,649,500
Adjustments for:			
Depreciation and amortization		19,628,314	16,945,167
Share of profit of an associate	16	-	(1,962,663)
Finance costs		4,971,925	4,713,792
Unrealized foreign exchange loss		321,849	759,546
Provision for doubtful debts		299,269	339,826
Finance income		(2,455,222)	(1,915,485)
Loss from disposal of property and equipment		89,797	97,327
Gain on disposal of discontinued operation	16	-	(200,033,665)
Change in employee benefit liability		(43,435)	377,741
Change in deferred revenues		(401,385)	(680,683)
Working capital adjustments:			
Change in trade accounts receivable		(3,005,975)	(4,088,289)
Change in inventories		(1,585,416)	(916,654)
Change in other current and non-current assets		1,355,045	(1,877,218)
Change in advances paid		(615,995)	(478,648)
Change in trade accounts payable		(726,334)	(1,366,619)
Change in advances received		(657,475)	(212,234)
Change in other liabilities		1,100,736	1,448,440
Cash generated from operations		32,740,359	27,799,181
Income taxes paid		(1,672,997)	(2,719,392)
Interest paid		(3,661,689)	(4,020,937)
Dividends paid	19	(1,778,970)	(221,272,330)
Interest received		334,097	701,337
Net cash flows from / (used in) operating activities		25,960,800	(199,512,141)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In thousands of tenge</i>	Notes	30 June 2013 (unaudited)	30 June 2012 (unaudited)
Investing activities			
Purchase of property and equipment		(16,132,645)	(16,164,631)
Purchase of intangible assets		(947,281)	(1,136,572)
Proceeds from sale of property and equipment	6	72,097	79,624
Placement of deposits		(7,029,305)	-
Proceeds from deposits		1,890,000	-
Acquisition of subsidiaries, net of cash acquired	4	(10,232,457)	-
Proceeds from sale of an associate	16	-	225,738,590
Dividends received from an associate	16	-	17,361,567
Long-term loans to employees		(2,018,134)	(1,596,217)
Repayment of loans by employees		139,925	93,725
Financial aid received		5,000	-
Net cash flows (used in) / from investing activities		(34,252,800)	224,376,086
Financing activities			
Proceeds from borrowings		2,061,000	1,217,418
Repayment of borrowings		(5,832,049)	(4,008,404)
Repurchase of own shares		(166,942)	-
Repayment of finance lease liabilities		(3,732,361)	(3,878,162)
Net cash flows used in financing activities		(7,670,352)	(6,669,148)
Net (decrease) / increase in cash and cash equivalents		(15,962,352)	18,194,797
Net impact of foreign exchange difference on cash and cash equivalents		(7,166)	(227,148)
Cash and cash equivalents at 1 January		53,466,201	87,715,687
Cash and cash equivalents at 30 June	10	37,496,683	105,683,336

Non-cash transactions are disclosed in *Note 17*.

The accompanying notes on pages 8 to 24 are an integral part of these interim condensed consolidated financial statements.

Chief Financial Director

Chief Accountant



Nurkatov A. A.

Baishumurova G. Zh.