



Kazakhtelecom JSC

Interim Condensed
Consolidated Financial Statements

*For nine months period ended on September 30,
2011*

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INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2011

<i>In thousands of Tenge</i>	<i>Notes</i>	30 September 2011	31 December 2010
ASSETS			
Non-current assets			
Property, plant and equipment	6	201,914,816	216,627,854
Intangible assets		11,808,091	12,471,910
Advances paid for non-current assets		1,051,607	489,868
Investments in an associate	7	-	53,785,831
Deferred tax asset		127,335	158,951
Other non-current assets		7,061,398	6,331,438
		221,963,247	289,865,852
Current assets			
Inventories		6,054,201	5,155,291
Trade accounts receivable	8	17,080,369	11,180,975
Prepayments		932,369	585,413
Income tax prepaid		4,719	395,498
Other financial assets	9	3,668,058	379,868
Other current assets		5,620,542	4,975,909
Cash and cash equivalents	10	74,435,318	58,023,486
		107,795,576	80,696,440
Assets classified as held for sale	17	65,385,733	-
TOTAL ASSETS		395,144,556	370,562,292
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	11	12,136,529	12,136,529
Treasury shares	11	(2,652,860)	(2,652,860)
Currency translation reserve	11	(11,001)	(9,921)
Other capital reserve	11	1,820,479	1,820,479
Retained earnings		261,381,183	227,330,496
		272,674,330	238,624,723
Non-controlling interest		(32,053)	(32,558)
Total equity		272,642,277	238,592,165

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

<i>In thousands of Tenge</i>	<i>Notes</i>	30 September 2011	31 December 2010
Non-current liabilities			
Borrowings	12	53,324,824	57,971,162
Finance lease liabilities		4,394,683	8,352,825
Deferred tax liability		10,612,013	12,531,442
Employee benefit liability		4,845,659	4,359,779
Debt component of preferred shares		1,099,620	1,099,620
Other non-current liabilities	13	3,525,817	3,873,216
		77,802,616	88,188,044
Current liabilities			
Borrowings	12	13,188,137	9,153,943
Current portion of finance lease liabilities		5,491,930	7,338,972
Current portion of employee benefit liability		453,858	289,262
Trade and other accounts payable		13,452,694	17,717,657
Advances received		2,321,811	2,371,086
Income tax payable		1,873,456	-
Other current liabilities	13	7,917,777	6,911,163
		44,699,663	43,782,083
Liabilities directly associated with the assets classified as held for sale	17	-	-
		122,502,279	131,970,127
TOTAL EQUITY AND LIABILITIES		395,144,556	370,562,292
Book value per share, Tenge		23,769	20,590
Book value per one preferred share of the first group, Tenge		2,302	1,933

The accompanying notes on pages 8 to 23 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 COMPREHENSIVE INCOME

For nine months period ended on 30 September 2011

<i>In thousands of Tenge</i>	<i>Notes</i>	30 September 2011	30 September 2010
Continuing operations			
Revenue	14	121,796,119	109,713,497
Compensation for provision of universal services in rural areas	19	4,142,034	3,858,704
		125,938,153	113,572,201
Cost of revenue	15	(89,716,972)	(77,400,161)
Gross profit		36,221,181	36,172,040
General and administrative expenses		(12,701,023)	(13,322,542)
Selling expenses		(2,880,324)	(2,820,291)
Operating profit		20,639,834	20,029,207
Share of profit of an associate	7	-	-
Finance costs		(6,261,388)	(7,137,964)
Finance revenue		2,474,775	1,367,402
Foreign exchange gain		345,342	604,810
Loss from disposal of property, plant and equipment	6	(163,491)	(229,061)
Other income		1,214,602	417,285
Profit for the period from continuing operations before tax		18,249,674	15,051,679
Income tax expense	16	(3,650,909)	(7,838,046)
Profit for the period from continuing operations		14,598,765	7,213,633
Discontinued operations			
Profit after tax for the period from discontinued operations	17	25,319,902	20,125,143
Profit for the period		39,918,667	27,338,776
Attributable to:			
Owners of the parent		39,918,162	27,926,719
Non-controlling interest		505	(587,943)
Other comprehensive income			
Exchange differences on translation of foreign operations		(1,080)	820
Other comprehensive income / (loss) for the period, net of tax		(1,080)	820
Total comprehensive income for the period, net of tax			
Attributable to:			
Owners of the parent		39,917,082	27,927,539
Non-controlling interest		505	(587,943)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

Earnings per share

	30 September 2011	30 September 2010
<i>Notes</i>		
Earnings per share		
Basic and diluted, profit for the period attributable to equity holders of the parent, Tenge	3.532	2.474
Earnings per share for continuing operations		
Basic and diluted, profit for the period from continuing operations attributable to equity holders of the parent, Tenge	1.297	0.697

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Chief Financial Director

Chief Accountant



Nurkatov A. A.

Baishumurova G. Zh.

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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

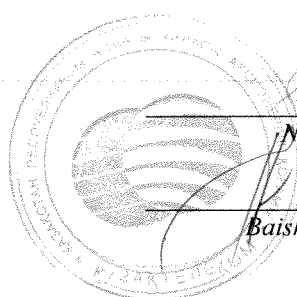
For nine months period ended on 30 September 2011

<i>In thousands of Tenge</i>	Attributable to owners of the parent					Total	Non-controlling interest	Total equity
	Share capital	Treasury shares	Currency translation reserve	Other capital reserves	Retained earnings			
At 1 January 2010	12,136,529	(2,652,860)	(2,710)	1,820,479	197,770,507	209,071,945	515,866	209,587,811
Profit for the period	-	-	-	-	27,926,719	27,926,719	(587,943)	27,338,776
Other comprehensive loss	-	-	820	-	-	820	-	820
Total comprehensive income	-	-	820	-	27,926,719	27,927,539	(587,943)	27,339,596
Dividends	-	-	-	-	(4,659,663)	(4,659,663)	-	(4,659,663)
At 30 September 2010 (unaudited)	12,136,529	(2,652,860)	(1,890)	1,820,479	221,037,563	232,339,821	(72,077)	232,267,744
At 1 January 2011	12,136,529	(2,652,860)	(9,921)	1,820,479	227,330,496	238,624,723	(32,558)	238,592,165
Profit for the period	-	-	-	-	39,918,162	39,918,162	505	39,918,667
Other comprehensive income	-	-	(1,080)	-	-	(1,080)	-	(1,080)
Total comprehensive income	-	-	(1,080)	-	39,918,162	39,917,082	505	39,917,587
Dividends (Note 11)	-	-	-	-	(5,867,475)	(5,867,475)	-	(5,867,475)
At 30 September 2011 (unaudited)	12,136,529	(2,652,860)	(11,001)	1,820,479	261,381,183	272,674,330	(32,053)	272,642,277

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

Chief Financial Director

Chief Accountant



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Baishumurova G. Zh.

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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For nine months period ended on 30 September 2011

<i>In KZT thousand</i>	30 September 2011	30 September 2010
Cash flow from operating activities		
1. Cash inflow	129,008,915	119,416,328
Proceeds from sale of goods and services	107,289,638	101,206,081
Other proceeds	-	-
Advances received from buyers, customers	17,435,543	15,047,125
Proceeds from insurance agreements	-	-
Interest received	1,416,814	570,523
Other proceeds	2,866,920	2,592,599
2. Cash outflow	95,040,270	84,202,730
Payments to suppliers for goods and services	25,486,753	21,475,391
Advances given to suppliers of goods and services	2,773,024	2,494,413
Payments to employees	25,154,764	23,322,211
Interest paid	6,571,724	5,796,878
Payments on insurance agreements	527,404	549,865
Income tax and other payments to the budget	19,017,024	15,481,391
Other payments	15,509,577	15,082,581
Net cash flow from operating activities	33,968,645	35,213,598
Cash flow from investing activities		
1. Cash inflow	10,396,811	27,411,675
Proceeds from sale of property, plant and equipment	29,374	52,917
Proceeds from sale of intangible assets	-	-
Proceeds from sale of other non-current assets	-	-
Proceeds from sale of equity instruments of other organizations (except for subsidiaries) and shares of participation in joint ventures	-	-
Proceeds from sale of equity instruments of other organizations	-	-
Compensation for the loss of control over subsidiaries (<i>Note 17</i>)	-	11,175,800
Proceeds from sale of other financial assets	-	-
Futures and Forward Contracts, Options and Swaps	-	-
Dividends received (<i>Note 7</i>)	10,290,000	15,382,851
Interest received	-	-
Other proceeds	77,437	800,107
2. Cash outflow	18,665,113	23,871,039
Purchase of property, plant and equipment	7,067,348	12,708,167
Purchase of intangible assets	950,262	1,355,429
Purchase of other non-current assets	8,280,127	9,409,862
Acquisition of equity instruments of other organizations (except for subsidiaries) and shares of participation in joint ventures	-	-
Acquisition of equity instruments of other organizations	-	-
Acquisition of control over subsidiaries	-	-
Acquisition of other financial assets	-	-
Proceeds from borrowings	-	-
Futures and Forward Contracts, Options and Swaps	-	-
Investments in associates and subsidiaries	-	-
Other payments	2,367,376	397,581
Net cash flow (used in) received from investment activities	(8,268,302)	3,540,636

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

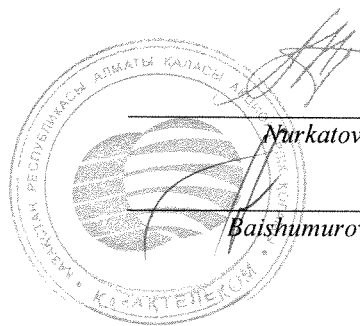
<i>In thousands of Tenge</i>	30 September 2011	30 September 2010
Cash flow from financial activities		
1. Cash inflow	3,038,451	1,810,917
Proceeds from issuance of shares and other financial instruments	-	-
Proceeds from borrowings	3,038,451	1,809,508
Interest received	-	-
Other proceeds	-	1,409
2. Cash outflow	12,326,962	13,288,682
Repayment of borrowings	6,294,853	7,579,836
Interest paid	-	-
Payment of dividends	-	-
Payment to owners on shares of the organization	-	-
Other payments	6,032,109	5,658,846
Net cash flow used in financial activities	(9,288,511)	(11,427,765)
Net increase in cash and cash equivalents	16,411,832	27,326,469
Effects of exchange rate changes on cash and cash equivalents	61,062	(26,713)
Cash and cash equivalents as of January 1	58,023,486	21,730,640
Cash and equivalents as of September 30 (Note 10)	74,435,318	49,057,109

Non-cash transactions are disclosed in *Note 18*.

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Chief Financial Director

Chief Accountant



Nurkatov A. A.

Baishumurova G. Zh.

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