



Kazakhtelecom JSC

Unaudited Interim Condensed
Consolidated Financial Statements

30 September 2013

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Unaudited Interim Condensed Consolidated Financial Statements

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INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2013


<i>In thousands of tenge</i>	Notes	30 September 2013 (unaudited)	31 December 2012 (audited)
ASSETS			
Non-current assets			
Property and equipment	6	263,497,228	257,308,842
Intangible assets	7	24,668,986	16,216,520
Advances paid for non-current assets		810,424	248,421
Deferred tax asset		7,094	108,151
Other non-current assets		15,709,809	15,383,368
		304,693,541	289,265,302
Current assets			
Inventories		6,222,191	4,692,179
Trade accounts receivable	8	19,760,818	17,411,450
Prepayments		1,523,699	809,544
Income tax prepaid		660,227	2,108,774
Other financial assets	9	32,414,532	45,234,299
Other current assets		7,351,980	6,271,461
Cash and cash equivalents	10	19,069,160	53,466,201
		87,002,607	129,993,908
TOTAL ASSETS		391,696,148	419,259,210
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Charter capital		12,136,529	12,136,529
Treasury shares		(6,278,136)	(6,019,715)
Currency translation reserve		6,470	(4,576)
Other capital reserve		1,820,479	1,820,479
Retained earnings		280,604,558	268,816,693
		288,289,900	276,749,410
Non-controlling interests		(159,064)	(1,911)
Total equity		288,130,836	276,747,499

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

<i>In thousands of tenge</i>	Notes	30 September 2013 (unaudited)	31 December 2012 (audited)
Non-current liabilities			
Borrowings	11	29,389,429	63,785,730
Finance lease liabilities		9,070,174	10,125,646
Deferred tax liability		13,611,539	12,537,430
Employee benefit liability		5,037,577	4,818,099
Debt component of preferred shares	19	893,345	894,065
Other non-current liabilities	12	4,334,592	4,470,476
		62,336,656	96,631,446
Current liabilities			
Borrowings	11	9,164,730	11,349,815
Current portion of finance lease liabilities		5,736,779	6,067,658
Current portion of employee benefit liability		500,995	354,137
Accounts payable		12,161,400	15,635,557
Advances received		2,817,108	3,387,458
Income tax payable		1,224,023	8,061
Other current liabilities	12	9,623,621	9,077,579
		41,228,656	45,880,265
		103,565,312	142,511,711
TOTAL EQUITY AND LIABILITIES		391,696,148	419,259,210

Chief Financial Director

Chief Accountant



 Nurkatov A. A.


 Baishumurova G. Zh.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2013

<i>In thousands of tenge</i>	Notes	30 September 2013 (unaudited)	30 September 2012 (unaudited)
Continuing operations			
Revenue	13	134,032,621	125,908,290
Compensation for provision of universal services in rural areas	18	3,768,759	3,981,468
		137,801,380	129,889,758
Cost of revenue	14	(97,195,029)	(89,946,878)
Gross profit		40,606,351	39,942,880
General and administrative expenses		(14,004,983)	(14,168,247)
Selling expenses		(3,537,975)	(3,386,272)
Operating profit		23,063,393	22,388,361
Finance costs		(9,602,001)	(7,757,929)
Finance income		3,466,459	2,672,931
Net foreign exchange loss		(446,029)	(828,691)
Loss from disposal of property and equipment	6	(151,583)	(155,947)
Other income		1,687,108	1,405,413
Profit for the period from continuing operations before tax		18,017,347	17,724,138
Income tax expense	15	(4,314,311)	(3,655,105)
Profit for the period from continuing operations		13,703,036	14,069,033
Discontinued operations			
Profit after tax for the period from discontinued operations	16	-	201,996,328
Profit for the period		13,703,036	216,065,361
Attributable to:			
Owners of the parent		13,860,189	216,147,461
Non-controlling interest		(157,153)	(82,100)
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		11,046	12,869
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		11,046	12,869
<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		(282,024)	12,869
Total comprehensive income, net of tax		13,421,012	216,078,230
Attributable to:			
Owners of the parent		13,578,165	216,160,330
Non-controlling interest		(157,153)	(82,100)
		13,421,012	216,078,230

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

For the nine months ended 30 September 2013

	Notes	30 September 2013 (unaudited)	30 September 2012 (unaudited)
Earnings per share			
Basic and diluted, profit for the period attributable to equity holders of the parent, tenge		1,260.39	19,092.08
Earnings per share for continuing operations			
Basic and diluted, profit for the period from continuing operations attributable to equity holders of the parent, tenge		1,260.39	1,257.44

Chief Financial Director

Chief Accountant



Nurkatov A. A.

Baishumurova G. Zh.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 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)	-	-	-	-	216,147,461	216,147,461	(82,100)	216,065,361
Other comprehensive income (unaudited)	-	-	12,869	-	-	12,869	-	12,869
Total comprehensive income (unaudited)	-	-	12,869	-	216,147,461	216,160,330	(82,100)	216,078,230
Dividends (unaudited) (Note 19)	-	-	-	-	(225,011,756)	(225,011,756)	-	(225,011,756)
At 30 September 2012 (unaudited)	12,136,529	(2,652,860)	(3,128)	1,820,479	262,765,542	274,066,562	(97,822)	273,968,740
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)	-	-	-	-	13,860,189	13,860,189	(157,153)	13,703,036
Other comprehensive income (unaudited)	-	-	11,046	-	(293,070)	(282,024)	-	(282,024)
Total comprehensive income (unaudited)	-	-	11,046	-	13,567,119	13,578,165	(157,153)	13,421,012
Treasury shares purchased	-	(258,421)	-	-	-	(258,421)	-	(258,421)
Dividends (unaudited) (Note 19)	-	-	-	-	(1,779,254)	(1,779,254)	-	(1,779,254)
At 30 September 2013 (unaudited)	12,136,529	(6,278,136)	6,470	1,820,479	280,604,558	288,289,900	(159,064)	288,130,836

Chief Financial Director

Chief Accountant



Nurkatov A. A.

Baishumurova G. Zh.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2013

<i>In thousands of tenge</i>	Notes	30 September 2013 (unaudited)	30 September 2012 (unaudited)
Operating activities			
Profit before tax from continuing operations		18,017,347	17,724,138
Profit before tax from discontinued operations	16	-	201,996,328
Profit before tax		18,017,347	219,720,466
Adjustments for:			
Depreciation and amortization		29,788,371	27,513,786
Share of profit of an associate	16	-	(1,962,663)
Finance costs		9,602,001	7,757,929
Unrealized foreign exchange loss		1,087,149	(565,525)
Provision for doubtful debts		492,789	316,756
Finance income		(3,466,459)	(2,672,931)
Loss from disposal of property and equipment		53,930	(4,695)
Gain on disposal of discontinued operation	16	-	(200,033,665)
Change in employee benefit liability		366,336	377,739
Change in deferred revenues		(545,577)	(608,008)
Loss from disposal of property and equipment		112,789	155,947
Working capital adjustments:			
Change in trade accounts receivable		(2,803,179)	(3,981,789)
Change in inventories		(1,583,942)	(1,424,953)
Change in other current and non-current assets		(174,831)	989,196
Change in advances paid		(729,258)	(254,213)
Change in trade accounts payable		777,703	(4,221,305)
Change in advances received		(570,350)	(255,302)
Change in other liabilities		(1,412,471)	(4,149,894)
Cash generated from operations		51,837,290	36,696,876
Income taxes paid		(2,730,191)	(4,131,259)
Interest paid		(7,097,425)	(6,949,134)
Dividends paid	19	(1,834,527)	(221,852,704)
Interest received		1,190,227	1,605,923
Net cash flows from / (used in) operating activities		41,365,374	(194,630,298)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In thousands of tenge</i>	Notes	30 September 2013 (unaudited)	30 September 2012 (unaudited)
Investing activities			
Purchase of property and equipment		(29,440,922)	(28,385,339)
Purchase of intangible assets		(4,022,154)	(1,269,296)
Proceeds from sale of property and equipment	6	118,493	85,853
Placement of deposits		(3,142,347)	-
Proceeds from deposits		21,426,688	-
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	-	26,042,350
Dividends received		614	989
Long-term loans to employees		(2,995,475)	(3,846,341)
Repayment of loans by employees		191,017	197,552
Issue of bank guarantee		(3,886,958)	-
Financial aid received		7,500	-
Net cash flows (used in) / from investing activities		(31,976,001)	218,564,358
Financing activities			
Proceeds from borrowings		3,864,291	1,741,036
Repayment of borrowings		(42,005,190)	(6,320,266)
Repurchase of own shares		(236,182)	-
Repayment of finance lease liabilities		(5,450,641)	(5,839,292)
Net cash flows used in financing activities		(43,827,722)	(10,418,522)
Net (decrease) / increase in cash and cash equivalents		(34,438,349)	13,515,538
Net impact of foreign exchange difference on cash and cash equivalents		41,308	(44,590)
Cash and cash equivalents at 1 January		53,466,201	87,715,687
Cash and cash equivalents at 30 September	10	19,069,160	101,186,635

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

Chief Financial Director

Chief Accountant



Nurkatov A. A.

Baishumurova G. Zh.