

**“Sovereign Wealth Fund “Samruk-Kazyna” JSC**

Interim condensed consolidated  
financial statements (unaudited)

*As at 30 June 2015 and for the six months then ended*

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«Эрнст энд Янг» ЖШС  
Әл-Фараби д-лы, 77/7  
«Есентай Тауэр» ғимараты  
Алматы қ., 050060  
Қазақстан Республикасы  
Тел.: +7 727 258 5960  
Факс: +7 727 258 5961  
www.ey.com

ТОО «Эрнст энд Янг»  
пр. Аль-Фараби, 77/7  
здание «Есентай Тауэр»  
г. Алматы, 050060  
Республика Казахстан  
Тел.: +7 727 258 5960  
Факс: +7 727 258 5961

Ernst & Young LLP  
Al-Farabi ave., 77/7  
Esentai Tower  
Almaty, 050060  
Republic of Kazakhstan  
Tel.: +7 727 258 5960  
Fax: +7 727 258 5961

## Report on review of interim condensed consolidated financial statements

To the Shareholder and Management of Sovereign Wealth Fund "Samruk-Kazyna" JSC

### **Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of Sovereign Wealth Fund "Samruk-Kazyna" JSC and its subsidiaries comprising the interim consolidated balance sheet as at 30 June 2015, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34, *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of Sovereign Wealth Fund "Samruk-Kazyna" JSC and its subsidiaries as at 30 June 2015 and for the six-month period then ended are not prepared, in all material respects, in accordance with IAS 34.

*Ernst & Young LLP*



Bakhtiyor Eshonkulov  
Auditor / audit partner



Auditor qualification certificate  
No. МФ-0000099 dated 27 August 2012

10 September 2015



Evgeny Zhemaletdinov  
General director  
Ernst & Young LLP



State audit license for audit activities on the territory of the Republic of Kazakhstan: series МФЮ-2 No. 0000003 issued by the Ministry of Finance of the Republic of Kazakhstan on 15 July 2005

**INTERIM CONSOLIDATED BALANCE SHEET**

<i>In millions of tenge</i>	<b>Note</b>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	<b>8,638,190</b>	8,405,084
Intangible assets		<b>340,024</b>	334,289
Investments in joint ventures and associates	6	<b>1,869,403</b>	1,813,834
Loans issued	7	<b>365,021</b>	271,989
Amounts due from credit institutions	8	<b>702,042</b>	692,377
Deferred tax asset		<b>103,083</b>	102,436
Other non-current financial assets		<b>160,479</b>	180,317
Other non-current assets	9	<b>678,946</b>	605,071
		<b>12,857,188</b>	12,405,397
<b>Current assets</b>			
Inventories		<b>383,255</b>	355,515
VAT receivable		<b>179,398</b>	228,842
Income tax prepaid		<b>89,042</b>	74,560
Trade accounts receivable		<b>297,105</b>	314,749
Loans issued	7	<b>121,141</b>	458,473
Amounts due from credit institutions	8	<b>1,015,775</b>	1,146,227
Other current financial assets		<b>19,939</b>	26,358
Other current assets		<b>297,146</b>	244,762
Cash and cash equivalents	10	<b>851,584</b>	1,234,305
		<b>3,254,385</b>	4,083,791
Assets classified as held for sale	4	<b>114,072</b>	148,486
<b>Total assets</b>		<b>16,225,645</b>	16,637,674

*Notes on pages 9 through 33 form an integral part  
of these interim condensed consolidated financial statements.*

**INTERIM CONSOLIDATED BALANCE SHEET (continued)**

<i>In millions of tenge</i>	Note	30 June 2015 (unaudited)	31 December 2014 (audited)
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holder of the Parent</b>			
Share capital	11	4,852,963	4,620,562
Revaluation reserve for available-for-sale investments		39,809	51,290
Currency translation reserve		503,507	486,162
Other capital reserves		(14,685)	(14,689)
Retained earnings		2,315,840	2,224,315
		<b>7,697,434</b>	<b>7,367,640</b>
Non-controlling interest		<b>750,033</b>	764,438
<b>Total equity</b>		<b>8,447,467</b>	<b>8,132,078</b>
<b>Non-current liabilities</b>			
Borrowings	12	3,702,124	4,329,026
Loans from the Government of the Republic of Kazakhstan		417,665	412,633
Finance lease liabilities		85,096	90,396
Provisions		234,136	229,447
Deferred tax liability		522,850	512,253
Employee benefit liability		67,391	61,125
Amounts due to customers		32	58
Other non-current liabilities		475,575	463,513
		<b>5,504,869</b>	<b>6,098,451</b>
<b>Current liabilities</b>			
Borrowings	12	1,268,272	1,313,236
Loans from the Government of the Republic of Kazakhstan		918	1,111
Finance lease liabilities		14,744	15,802
Provisions		157,542	153,429
Employee benefit liability		6,072	5,726
Income taxes payable		6,847	4,020
Trade and other payables		403,444	456,475
Amounts due to customers		23,956	20,628
Derivatives		891	2,156
Other current liabilities		353,224	373,647
		<b>2,235,910</b>	<b>2,346,230</b>
Liabilities associated with assets classified as held for sale	4	37,399	60,915
<b>Total liabilities</b>		<b>7,778,178</b>	<b>8,505,596</b>
<b>Total equity and liabilities</b>		<b>16,225,645</b>	<b>16,637,674</b>

Finance director – Member of the Management Board



Nurlan Rakhmetov

Chief accountant

Almaz Abdrakhmanova

Notes on pages 9 through 33 form an integral part  
of these interim condensed consolidated financial statements.

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<i>In millions of tenge</i>	Note	For the six months ended	
		30 June 2015 (unaudited)	30 June 2014* (unaudited)
Revenue	13	2,239,121	2,493,158
Government grants		14,772	15,549
		<b>2,253,893</b>	<b>2,508,707</b>
Cost of sales	14	(1,830,774)	(1,771,103)
<b>Gross profit</b>		<b>423,119</b>	<b>737,604</b>
General and administrative expenses	15	(167,739)	(175,284)
Transportation and selling expenses	16	(121,508)	(191,137)
Impairment loss	17	(19,251)	(81,514)
Gain on revaluation of a 50% stake in EGRES-1		-	74,798
Gain on disposal of subsidiaries		1,960	208
<b>Operating profit</b>		<b>116,581</b>	<b>364,675</b>
Finance income		72,121	55,929
Finance costs	18	(157,788)	(138,955)
Other loss		(12,836)	(40,896)
Other income		21,082	17,791
Share in profit of joint ventures and associates, net	19	142,723	231,440
Foreign exchange gain/(loss), net	20	12,202	(54,986)
<b>Profit before income tax</b>		<b>194,085</b>	<b>434,998</b>
Income tax expenses		(80,141)	(119,794)
<b>Net profit for the period from continuing operations</b>		<b>113,944</b>	<b>315,204</b>
Loss from discontinued operations, net of tax		-	(6,472)
<b>Net profit for the period</b>		<b>113,944</b>	<b>308,732</b>
<b>Net profit for the period attributable to:</b>			
Equity holder of the Parent		97,625	270,499
Non-controlling interest		16,319	38,233
		<b>113,944</b>	<b>308,732</b>

*Notes on pages 9 through 33 form an integral part  
of these interim condensed consolidated financial statements.*

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)**

<i>In millions of tenge</i>	Note	For the six months ended	
		30 June 2015 (unaudited)	30 June 2014* (unaudited)
<b>Other comprehensive income, net of tax</b>			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax:</i>			
Exchange differences on translation of foreign operations		18,442	248,443
Unrealized (loss) / gain from revaluation of available-for-sale investments		(11,481)	6,176
Reclassification of realized losses on available-for-sale investments to profit or loss		-	3,262
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>6,961</b>	<b>257,881</b>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of tax:</i>			
Actuarial losses on defined benefit plans, net of tax		560	(1,182)
<b>Net other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods</b>		<b>560</b>	<b>(1,182)</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>7,521</b>	<b>256,699</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>121,465</b>	<b>565,431</b>
<b>Total comprehensive income for the period, net of tax, attributable to:</b>			
Equity holder of the Parent		104,141	518,766
Non-controlling interest		17,324	46,665
		<b>121,465</b>	<b>565,431</b>
<b>Earnings per share</b>			
Basic and diluted share in net profit for the period attributable to the equity holder (in tenge)	11.4	28.04	77.69
<b>Earnings per share for continuing operations</b>			
Basic and diluted share in net profit from continuing operations attributable for the equity holder (in tenge)	11.4	28.04	79.55

\* Certain amounts shown in this column do not correspond to the interim condensed consolidated financial statements for the six months ended 30 June 2014 and reflect gain on fair value measurement of previously held interest in EGRES-1 in the amount of 74,798 million tenge and additional depreciation charges in the amount of 2,301 million tenge on property, plant and equipment acquired through business combination, previously recorded at provisional fair value.

Finance director – Member of the Management Board



Nurlan Rakhmetov

Chief accountant

Almaz Abdrakhmanova

Notes on pages 9 through 33 form an integral part of these interim condensed consolidated financial statements.



**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<i>In millions of tenge</i>	Attributable to equity holder of the Parent							Total
	Share capital	Revaluation reserve for available-for-sale investments	Currency translation reserve	Other capital reserves	Retained earnings	Non-controlling interest	Total	
<b>Balance as at 31 December 2013 (audited)</b>	4,484,676	25,302	272,655	(2,711)	1,947,379	779,291	6,727,301	7,506,592
Total comprehensive income for the period	-	7,205	232,248	9,490	269,823	46,665	518,766	565,431
Issue of shares	65,115	-	-	-	-	-	65,115	65,115
Discount on loans from the Government	-	-	-	-	12,363	-	12,363	12,363
Dividends	-	-	-	-	-	(58,363)	-	(58,363)
Acquisition of subsidiaries	-	-	-	-	-	2,070	-	2,070
Change in ownership interests of subsidiaries – acquisition by non-controlling interest	-	1,723	-	(11,529)	16,178	5,138	6,372	11,510
Change in ownership interests of subsidiaries – acquisition of non-controlling interest	-	(265)	-	-	(20,073)	410	(20,338)	(19,928)
Other distributions to the Shareholder	-	-	-	-	(9,502)	-	(9,502)	(9,502)
Other equity movements	-	-	-	(43)	2	(38)	(41)	(79)
<b>Balance as at 30 June 2014 (unaudited)</b>	4,549,791	33,965	504,903	(4,793)	2,216,170	775,173	7,300,036	8,075,209

Notes on pages 9 through 33 form an integral part of these interim condensed consolidated financial statements.

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)**

In millions of tenge	Note	Attributable to equity holder of the Parent						Total
		Share capital	Revaluation reserve for available-for-sale investments	Currency translation reserve	Other capital reserves	Retained earnings	Non-controlling interest	
<b>Balance as at 31 December 2014 (audited)</b>		4,620,562	51,290	486,162	(14,689)	2,224,315	764,438	8,132,078
Total comprehensive income for the period		-	(11,481)	17,449	-	98,173	17,324	121,465
Issue of shares	11.1	232,401	-	-	-	-	-	232,401
Dividends paid	11.2	-	-	-	-	-	(18,080)	(18,080)
Other distributions to the Shareholder	11.3	-	-	-	-	(7,029)	-	(7,029)
Disposal of subsidiaries	4	-	-	(104)	-	-	(13,482)	(13,482)
Other equity movements		-	-	-	4	381	(167)	114
<b>Balance as at 30 June 2015 (unaudited)</b>		<b>4,852,963</b>	<b>39,809</b>	<b>503,507</b>	<b>(14,685)</b>	<b>2,315,840</b>	<b>750,033</b>	<b>8,447,467</b>

Finance director – Member of the Management Board

*Nurlan Rakhmetov*



Chief accountant

*Almaz Abdurakhmanova*

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

<i>In millions of tenge</i>	Note	For the six months ended 30 June 2015 (unaudited)	For the six months ended 30 June 2014* (unaudited)
<b>Cash flows from operating activities</b>			
Profit before income tax from continuing operations		194,085	434,998
Loss before income tax from discontinued operations		-	(5,743)
<b>Adjustments for:</b>			
Depreciation, depletion and amortization	14, 15, 16	197,797	203,212
Share in profit of joint ventures and associates, net	19	(142,723)	(231,440)
Finance costs	18	157,788	138,955
Finance income		(72,121)	(55,929)
Impairment loss	17	19,251	81,514
Long-term employee benefits		8,367	4,983
Provision charges		17,860	48,214
Derivatives		5,515	10,441
Loss on disposal of property, plant and equipment and other long term assets, net		3,742	3,730
Allowance for doubtful debts	15	9,827	8,328
Gain on disposal of subsidiaries		(1,960)	(208)
Gain on revaluation of a 50% stake in EGRES-1		-	(74,798)
Reclassification of realized gains and losses on available-for-sale investments to profit and loss		-	3,262
Unrealized foreign exchange (gain) / loss		(12,149)	41,785
Other transactions		254	2,020
<b>Cash flows from operating activities before working capital changes</b>		<b>385,533</b>	<b>613,324</b>
Changes in loans issued		392,888	263,963
Changes in amounts due from credit institutions		16,610	104,772
Changes in other financial assets		(207)	(4,290)
Changes in inventories		(45,909)	(20,744)
Changes in VAT receivable		40,571	13,508
Changes in trade accounts receivable		2,651	33,980
Changes in other assets		(13,869)	19,714
Changes in borrowings and loans from the Government of the Republic of Kazakhstan		(427,881)	8,093
Changes in trade and other accounts payable		(21,165)	(67,861)
Changes in amounts due to customers		3,269	(73,907)
Changes in other liabilities		(21,485)	(4,838)
<b>Cash generated by operating activities</b>		<b>311,006</b>	<b>885,714</b>
Income taxes paid		(82,908)	(144,655)
Interest paid		(128,563)	(88,313)
Interest received		37,524	38,384
<b>Net cash flows received from operating activities</b>		<b>137,059</b>	<b>691,130</b>

*Notes on pages 9 through 33 form an integral part  
of these interim condensed consolidated financial statements.*

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**

<i>In millions of tenge</i>	Note	For the six months ended 30 June 2015 (unaudited)	For the six months ended 30 June 2014* (unaudited)
<b>Cash flows from investing activities</b>			
Withdrawal / (placement) of bank deposits, net		136,365	(42,642)
Acquisition of joint ventures and associates		(11,930)	(20,711)
Acquisition of subsidiaries, net of cash acquired		-	(233,274)
Proceeds from sale of subsidiaries	4	2,454	54,201
Purchase of property, plant and equipment		(428,191)	(385,165)
Purchase of intangible assets		(1,259)	(3,562)
Sale / (purchase) of other financial assets, net		1,104	(6,858)
Proceeds from sale of property, plant and equipment		1,623	1,711
Advances paid for non-current assets		(25,088)	(27,137)
Dividends received from joint ventures and associates	6	65,268	135,810
Issue of loans		(34,883)	(21,538)
Repayment of loans		15,737	5,015
Stock options exercised		-	(40)
<b>Net cash flows used in investing activities</b>		<b>(278,800)</b>	<b>(544,190)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		435,605	485,354
Repayment of borrowings		(757,168)	(285,600)
Repayment of finance lease liabilities		(7,834)	(6,503)
Transactions with the Shareholder		(20,838)	(10,852)
Contributions to the share capital	11.1	105,810	54,500
Dividends paid to non-controlling interest of subsidiaries	11	(7,503)	(44,505)
Contributions to the share capital by non-controlling interest		-	11,510
Acquisition of non-controlling interest		-	(10,753)
<b>Net cash flows (used in) / received from financing activities</b>		<b>(251,928)</b>	<b>193,151</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(393,669)</b>	<b>340,091</b>
Effects of exchange rate changes on cash and cash equivalents		10,948	78,017
<b>Cash and cash equivalents, at the beginning of the period</b>		<b>1,234,305</b>	<b>740,994</b>
<b>Cash and cash equivalents, at the end of the period</b>	10	<b>851,584</b>	<b>1,159,102</b>

\* Certain amounts shown in this column do not correspond to the interim condensed consolidated financial statements for the six months ended 30 June 2014 and reflect gain on fair value measurement of previously held interest in EGRES-1 in the amount of 74,798 million tenge and additional depreciation charges in the amount of 2,301 million tenge on property, plant and equipment acquired through business combination, previously recorded at provisional fair value.

Finance director – Member of the Management Board



Nurlan Rakhmetov

Chief accountant

Almaz Abdrakhmanova

Notes on pages 9 through 33 form an integral part  
of these interim condensed consolidated financial statements.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2015 and for the six months then ended

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### 1. GENERAL INFORMATION

#### Corporate information

JSC “Sovereign Wealth Fund “Samruk-Kazyna” (the “Fund” or “Samruk-Kazyna”) was established on 3 November 2008 in accordance with the Decree of the President of the Republic of Kazakhstan dated 13 October 2008 and the Resolution of the Government of the Republic of Kazakhstan dated 17 October 2008. The formation was enacted by the merger of “Sustainable Development Fund “Kazyna” JSC (“Kazyna”) and “Kazakhstan Holding Company for State Assets Management “Samruk” JSC (“Samruk”) and the additional transfer to the Fund of interest in certain entities owned by the Government of the Republic of Kazakhstan (the “State” or the “Government”). The Government, represented by the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan is the sole shareholder of the Fund (the “Shareholder” or the “Parent”).

The Government’s overall objective of the reorganization is to increase management efficiency and to optimize organizational structures in these entities for them to successfully achieve their strategic objectives as set in the respective Government programs and development plans of the entities.

The Fund is a holding company combining state-owned enterprises listed in *Note 21* (the “Group”). According to the Law of the Republic of Kazakhstan enacted on 1 February 2012 “On Sovereign Wealth Fund” No. 550-IV, the Fund’s activity is focused on improving sovereign wealth of the Republic of Kazakhstan by increasing the long-term value of the Group companies and by effective management of the Group assets.

For management purposes, the Group is organized into organizational business units based on their products and services, and has seven reportable operating segments (*Note 26*):

- Oil and gas segment includes operations related to exploration and production of oil and gas, transportation of oil and gas and refining and trading of crude oil and refined products;
- Transportation segment includes operations related to railway and air transportation of cargo and passengers;
- Telecommunication segment includes operation of fixed line communication, including local, long-distance intercity and international telecommunication services (including CIS and non-CIS countries); and also renting out of lines, data transfer services and wireless communication services;
- Energy segment includes operations related to production and distribution of electricity, the function of oversight over the input of electricity into the energy system and consumption of imported electricity, the function of centralized operation and dispatch of facilities in the Unified Energy System of Kazakhstan;
- Mining and industrial segment includes exploration, mining, processing and sales of mineral resources, military industry enterprises and civil engineering, projects for the development of chemical industry;
- Financial and innovation institutions segment includes operations related to assisting the Government in increasing housing availability by investing into residential development;
- Corporate center and projects segment covers Fund’s investing and financing activities, including provision of loans to related and third parties.

The address of the Fund’s registered office is Astana, Kunayev str. 8, the Republic of Kazakhstan.

These interim condensed consolidated financial statements were authorized for issue by the Finance director – Member of the Management Board and Chief accountant of the Fund on 10 September 2015.

### 2. BASIS OF PREPARATION

These interim condensed consolidated financial statements for the six months ended 30 June 2015 were prepared in accordance with International Accounting Standard No. 34 *Interim Financial Reporting* (IAS 34). These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2014.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(continued)**

**2. BASIS OF PREPARATION (continued)**

**Foreign currency translation**

*Functional and presentation currency*

Items included in the financial statements of each of the Group’s entities included in these interim condensed consolidated financial statements for the six months ended 30 June 2015 are measured using the currency of the primary economic environment in which the entities operate (“the functional currency”). The interim condensed consolidated financial statements are presented in tenge, which is the Group’s presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognized in profit and loss, except for hedging transactions.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets measured at the fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

*Group entities*

Gains, losses and financial position of all of the Group’s subsidiaries, joint ventures and associates (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Fund’s functional currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at that reporting date;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates; in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognized as a separate component in other comprehensive income.

*Exchange rates*

Weighted average currency exchange rates established by the Kazakhstan Stock Exchange (“KASE”) are used as official currency exchange rates in the Republic of Kazakhstan.

The following table presents foreign currency exchange rate to tenge:

	<b>30 June 2015</b>	<b>31 December 2014</b>
US dollar	<b>186.20</b>	182.35
Euro	<b>207.48</b>	221.97
Russian rouble	<b>3.34</b>	3.17
CHF	<b>200.00</b>	184.64

The currency exchange rate of KASE as at 10 September 2015 was 253 tenge to 1 US dollar.

**New standards, interpretations and amendments adopted by the Group**

The accounting policies applied in preparation of these interim condensed consolidated financial statements are consistent with those applied in preparation of the consolidated financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations as at 1 January 2015. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Information on the nature and impact of these amendments is disclosed below. Even though the Group applied these new standards and interpretations in 2015, they do not have any significant impact neither on the annual consolidated financial statements of the Group nor its interim condensed consolidated financial statements.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 2. BASIS OF PREPARATION (continued)

#### New standards, interpretations and amendments adopted by the Group (continued)

##### *Defined benefit plans: Employee Contributions (Amendments to IAS 19)*

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. These amendments are not relevant to the Group financial statements, since the Group does not have defined benefit plans with contributions from employees or third parties.

##### *Annual improvements to IFRS 2010-2012 Cycle*

These improvements are effective from 1 July 2014 and are not expected to have a material impact on the interim condensed consolidated financial statements of the Group. The document comprises the following amendments:

##### *Amendment to IFRS 2 Share-based Payment*

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition;
- A performance target must be met while the counterparty is rendering service;
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group;
- A performance condition may be a market or non-market condition;
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

##### *Amendment to IFRS 3 Business Combinations*

The amendment is applied retrospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

##### *Amendments to IFRS 8 Operating Segments*

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are ‘similar’;
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

##### *Amendment to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets*

Amendments are applied retrospectively and clarify that under IAS 16 and IAS 38 an asset can be revalued based on observable data of its gross or net book value. Further, it is clarified that accumulated depreciation is the difference between gross and carrying amount of an asset.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 2. BASIS OF PREPARATION (continued)

#### New standards, interpretations and amendments adopted by the Group (continued)

##### *Annual improvements to IFRS 2010-2012 Cycle (continued)*

##### *IAS 24 Related Party Disclosures*

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

##### *Annual improvements to IFRS 2011-2013 Cycle*

These improvements are effective from 1 July 2014 and are not expected to have a material impact on the interim condensed consolidated financial statements of the Group. The document comprises the following amendments:

##### *Amendment to IFRS 3 Business Combinations*

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3;
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

##### *Amendment to IFRS 13 Fair Value Measurement*

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

##### *Amendment to IAS 40 Investment Property*

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination.

### 3. SEASONALITY OF OPERATIONS

The Group's operating expenses are subject to seasonal fluctuations, with higher expenses for various materials, production services, maintenance and other services usually expected in the second half of the year rather than in the first six months. These fluctuations are mainly due to requirements to conduct formal public tenders during the first half of the year with goods and services being purchased in the second half of the year.

### 4. ASSETS CLASSIFIED AS HELD FOR SALE

#### Disposals

##### *Subsidiaries of Kamkor Repair Corporation LLP*

In July 2014, as a part of the Complex Privatization plan (the “Privatization plan”) for 2014-2016 approved by the Government of the Republic of Kazakhstan, a list of Group companies to be transferred to the competitive environment, along with methods of sale, persons responsible for sale and disposal periods, were approved.

On 4 May 2015, in accordance with the Privatization plan, the Group sold to a third party its share in subsidiaries of Kamkor Repair Corporation LLP (the “Kamkor”) previously included in Transportation segment.



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(continued)**

**4. ASSETS CLASSIFIED AS HELD FOR SALE (continued)**

**Disposals (continued)**

*Subsidiaries of Kamkor Repair Corporation LLP (continued)*

As of the disposal date the net assets of Kamkor’s subsidiaries are presented below:

<i>In millions of tenge</i>	<b>At disposal date</b>
<b>Assets</b>	
Property, plant and equipment	29,416
Inventories	13,597
Trade accounts receivable	22,075
Other assets	11,125
Cash and cash equivalents	4,218
<b>Total assets</b>	<b>80,431</b>
<b>Liabilities</b>	
Accounts payable	18,332
Borrowings	4,084
Deferred tax liabilities	2,365
Other liabilities	27,736
<b>Total liabilities</b>	<b>52,517</b>
<b>Net assets</b>	<b>27,914</b>

Gain on disposal of Kamkor’s subsidiaries is presented as follows:

<i>In millions of tenge</i>	<b>At disposal date</b>
Consideration received, including cash	15,862
Disposed net assets	(27,914)
Disposed non-controlling interest	13,196
<b>Gain on disposal</b>	<b>1,144</b>

Consideration received for the sale of Kamkor’s subsidiaries is presented as follows:

<i>In millions of tenge</i>	<b>At disposal date</b>
Cash and cash equivalents	6,672
Deferred consideration	9,190
<b>Total consideration received</b>	<b>15,862</b>

Net cash flows from the sale of Kamkor’s subsidiaries are presented as follows:

<i>In millions of tenge</i>	<b>At disposal date</b>
Cash and cash equivalents received	6,672
Less: disposed cash of the subsidiary	(4,218)
	<b>2,454</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(continued)**

**4. ASSETS CLASSIFIED AS HELD FOR SALE (continued)**

**Summary information**

Assets classified as held for sale comprised the following:

<i>In millions of tenge</i>	<b>Segment</b>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
Euro-Asia Air JSC	Oil and gas	<b>24,326</b>	23,624
Mangistau Electricity Distribution Company JSC	Energy	<b>19,930</b>	18,533
East-Kazakhstan Regional Electricity Company JSC	Energy	<b>14,216</b>	12,959
Tulpar-Talgo LLP	Transportation	<b>11,919</b>	11,174
Kazakh Institute of Oil and Gas JSC	Oil and gas	<b>10,530</b>	-
Kamkor	Transportation	-	45,659
Other		<b>33,151</b>	36,537
		<b>114,072</b>	148,486

Liabilities associated with assets classified as held for sale comprised the following:

<i>In millions of tenge</i>	<b>Segment</b>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
Mangistau Electricity Distribution Company JSC	Energy	<b>8,562</b>	9,377
Euro-Asia Air JSC	Oil and gas	<b>7,996</b>	9,061
East-Kazakhstan Regional Electricity Company JSC	Energy	<b>3,610</b>	4,180
Tulpar-Talgo LLP	Transportation	<b>2,507</b>	2,066
Kazakh Institute of Oil and Gas JSC	Oil and gas	<b>1,263</b>	-
Kamkor	Transportation	-	25,264
Other		<b>13,461</b>	10,967
		<b>37,399</b>	60,915

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**5. PROPERTY, PLANT AND EQUIPMENT**

<i>In millions of tenge</i>	Oil and gas assets	Exploration and evaluation assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infrastructure	Machinery, equipment and vehicles	Mining assets	Other	Construction in progress	Total
<b>Net book value at 1 January 2015 (audited)</b>	2,330,978	241,207	1,003,112	710,134	630,972	2,412,150	32,845	65,142	978,544	8,405,084
Foreign currency translation	46,093	2,557	5,717	804	33	926	(214)	(77)	283	56,122
Additions	62,668	14,080	226	1,565	76	30,055	4,516	2,649	284,377	400,212
Disposals	(2,310)	(104)	(3,689)	(3,258)	(168)	(10,105)	-	(1,564)	(1,044)	(22,242)
Depreciation charge	(19,308)	-	(33,607)	(19,912)	(11,949)	(97,218)	(4,630)	(6,431)	-	(193,055)
Depreciation and impairment on disposals	1,007	38	1,970	2,998	74	8,641	-	1,393	288	16,409
Impairment provision, net of reversal	854	-	-	(471)	30	130	(215)	(5)	(7,988)	(7,665)
Loss of control over subsidiaries	-	-	-	(81)	-	(16)	-	(4)	-	(101)
Transfer to assets classified as held for sale	(8)	-	(14)	(1,826)	-	(780)	-	(339)	(873)	(3,840)
Transfers from / (to) inventories, net	(19,640)	588	14	(83)	(96)	2,130	246	1,548	6,014	(9,279)
Transfer to intangible assets	(6)	-	-	-	-	(11)	-	(14)	(3,424)	(3,455)
Other transfers and reclassifications	37,132	(148)	11,250	11,930	1,798	51,406	(88)	2,326	(115,606)	-
<b>Net book value at 30 June 2015 (unaudited)</b>	<b>2,437,460</b>	<b>258,218</b>	<b>984,979</b>	<b>701,800</b>	<b>620,770</b>	<b>2,397,308</b>	<b>32,460</b>	<b>64,624</b>	<b>1,140,571</b>	<b>8,638,190</b>
Historical cost	3,197,885	264,607	1,416,711	946,398	756,244	3,542,160	52,283	125,774	1,181,464	11,483,526
Accumulated depreciation and impairment	(760,425)	(6,389)	(431,732)	(244,598)	(135,474)	(1,144,852)	(19,823)	(61,150)	(40,893)	(2,845,336)
<b>Net book value at 30 June 2015 (unaudited)</b>	<b>2,437,460</b>	<b>258,218</b>	<b>984,979</b>	<b>701,800</b>	<b>620,770</b>	<b>2,397,308</b>	<b>32,460</b>	<b>64,624</b>	<b>1,140,571</b>	<b>8,638,190</b>
Historical cost	3,066,391	247,393	1,396,499	934,080	754,561	3,472,585	47,823	124,469	1,020,439	11,064,240
Accumulated depreciation and impairment	(735,413)	(6,186)	(393,387)	(223,946)	(123,589)	(1,060,435)	(14,978)	(59,327)	(41,895)	(2,659,156)
<b>Net book value at 31 December 2014 (audited)</b>	<b>2,330,978</b>	<b>241,207</b>	<b>1,003,112</b>	<b>710,134</b>	<b>630,972</b>	<b>2,412,150</b>	<b>32,845</b>	<b>65,142</b>	<b>978,544</b>	<b>8,405,084</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(continued)**

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**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

As at 30 June 2015 property, plant and equipment with net book value of 1,750,859 million tenge was pledged as collateral for some of the Group’s borrowings (as at 31 December 2014: 1,740,038 million tenge).

As at 30 June 2015, the carrying amount of property, plant and equipment acquired under finance lease agreements was equal to 125,204 million tenge (as at 31 December 2014: 130,575 million tenge).

As at 30 June 2015, the cost of fully depreciated property, plant and equipment of the Group was equal to 574,067 million tenge (as at 31 December 2014: 543,765 million tenge).

For the six months ended 30 June 2015 the Group capitalized borrowing costs at average capitalization rate of 6.3% in the amount of 12,417 million tenge (for the six months ended 30 June 2014: at average capitalization rate of 5.4% in the amount 11,984 million tenge).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**6. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES**

Investments in joint ventures and associates comprised the following:

<i>In millions of tenge</i>	Main activity	Place of business	30 June 2015 (unaudited)		31 December 2014 (audited)	
			Carrying amount	Percentage ownership	Carrying amount	Percentage ownership
<b>Joint ventures</b>						
Tengizchevroil LLP	Oil and gas exploration and production	Kazakhstan	523,456	20.00%	501,119	20.00%
Mangistau Investments B.V.	Oil and gas exploration and production	Kazakhstan	201,616	50.00%	196,194	50.00%
KazakhOil-Aktobe LLP	Oil and gas exploration and production	Kazakhstan	82,579	50.00%	85,878	50.00%
KazRosGas LLP	Processing and sale of natural gas and refined products	Kazakhstan	80,642	50.00%	62,334	50.00%
JV KazGerMunay LLP	Oil and gas exploration and production	Kazakhstan	71,831	50.00%	67,662	50.00%
Beineu-Shymkent Gas Pipeline LLP	Construction and operation of the Beineu-Shymkent gas pipeline	Kazakhstan	63,181	50.00%	66,885	50.00%
Ekibastuzskaya GRES-2 JSC (“GRES-2”)	Electricity production	Kazakhstan	42,863	50.00%	42,291	50.00%
Ural Group Limited BVI	Oil and gas exploration and production	Kazakhstan	40,795	50.00%	26,125	50.00%
Valsera Holdings B.V.	Crude oil refining	Kazakhstan	28,046	50.00%	22,091	50.00%
Kazakhstan Petrochemical Industries Inc, LLP	Construction of first integrated chemical complex	Kazakhstan	27,499	51.00%	27,868	51.00%
Forum Muider B. V.	Electricity production	Kazakhstan	25,469	50.00%	26,050	50.00%
KLPE LLP	Construction of first integrated chemical complex	Kazakhstan	24,709	50.00%	-	-
Other			106,604		105,582	
<b>Total joint ventures</b>			<b>1,319,290</b>		<b>1,230,079</b>	

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**6. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)**

<i>In millions of tenge</i>	Main activity	Place of business	30 June 2015 (unaudited)		31 December 2014 (audited)	
			Carrying amount	Percentage ownership	Carrying amount	Percentage ownership
<b>Associates</b>						
Kazzinc LLP	Mining and processing of metal ores, production of refined metals	Kazakhstan	236,977	29.82%	234,166	29.82%
PetroKazakhstan Inc. (“PKI”)	Exploration, production and processing of oil and gas	Kazakhstan	114,911	33.00%	117,103	33.00%
JV KATCO LLP	Exploration, production and processing of uranium	Kazakhstan	40,149	49.00%	43,737	49.00%
Sekerbank T.A.S.	Banking	Turkey	37,568	19.37%	52,414	20.17%
Caspian Pipeline Consortium	Transportation of crude oil	Kazakhstan/ Russia	24,020	21.00%	22,654	21.00%
KLPE LLP	Construction of first integrated chemical complex	Kazakhstan	–	–	24,687	50.00%
Other			96,488		88,994	
<b>Total associates</b>			<b>550,113</b>		<b>583,755</b>	
			<b>1,869,403</b>		<b>1,813,834</b>	

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(continued)**

**6. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)**

The following table summarizes the movements in equity investments in joint ventures and associates:

*In millions of tenge*

<b>Balance as at 1 January 2015 (audited)</b>	1,813,834
Share in profit of joint ventures and associates, net (Note 19)	<b>142,723</b>
Dividends received	<b>(65,268)</b>
Change in dividends receivable	<b>(40,094)</b>
Acquisitions	<b>13,046</b>
Transfers to assets classified as held for sale	<b>(253)</b>
Foreign currency translation	<b>13,026</b>
Other comprehensive income, other than foreign currency translation	<b>7,888</b>
Impairment (Note 17)	<b>(15,499)</b>
<b>Balance as at 30 June 2015 (unaudited)</b>	<b>1,869,403</b>

**7. LOANS ISSUED**

Loans issued comprised the following:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	31 December 2014 (audited)
Loans to entities	<b>476,474</b>	725,598
Net investments in finance lease	<b>16,761</b>	16,103
Other loans	<b>2,851</b>	483
<b>Total loans</b>	<b>496,086</b>	742,184
Less: impairment allowance	<b>(9,924)</b>	(11,722)
<b>Loans issued, net</b>	<b>486,162</b>	730,462
Less: current portion	<b>(121,141)</b>	(458,473)
<b>Non-current portion</b>	<b>365,021</b>	271,989

During the first quarter of 2015, the Group received an early repayment of loans provided to KazMinerals Plc (previously – Kazakhmys Finance Plc) for the purpose of development of Bozshakol, Abyz and Bozymchak copper fields in the amount of 1,993 million US dollars (equivalent to 368,447 million tenge at the exchange rate on the payment date).

In April 2015, the Group received a promissory note from the Caspian Pipeline Consortium – K JSC in the amount of 684 million US dollars (equivalent to 126,591 million tenge at the exchange rate on the contribution date) as a contribution to its share capital (Note 11.1).

**8. AMOUNTS DUE FROM CREDIT INSTITUTIONS**

Amounts due from credit institutions comprised the following:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	31 December 2014 (audited)
Bank deposits	<b>1,362,296</b>	1,478,695
Loans to credit institutions	<b>355,521</b>	359,909
<b>Amounts due from credit institutions, net</b>	<b>1,717,817</b>	1,838,604
Less: current portion	<b>(1,015,775)</b>	(1,146,227)
<b>Non-current portion</b>	<b>702,042</b>	692,377

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(continued)**

**8. AMOUNTS DUE FROM CREDIT INSTITUTIONS (continued)**

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
10 largest local banks	<b>1,110,902</b>	1,139,729
Other local credit institutions	<b>193,549</b>	285,215
International credit institutions	<b>413,366</b>	413,660
	<b>1,717,817</b>	1,838,604
<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
Amounts due from credit institutions, denominated in tenge	<b>914,809</b>	973,040
Amounts due from credit institutions, denominated in US dollars	<b>797,124</b>	862,119
Amounts due from credit institutions, denominated in other currencies	<b>5,884</b>	3,445
	<b>1,717,817</b>	1,838,604

As at 30 June 2015 the weighted average interest rate on amounts due from credit institutions was 5.34% (31 December 2014: 5.15%).

**9. OTHER NON-CURRENT ASSETS**

Other non-current assets comprised the following:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
Advances paid for non-current assets	<b>314,091</b>	286,358
Long-term VAT receivable	<b>137,522</b>	126,583
Long-term receivables	<b>83,392</b>	75,660
Asset held for the benefit of the Shareholder	<b>32,908</b>	23,851
Long-term inventories	<b>27,036</b>	8,717
Prepaid expenses	<b>20,120</b>	20,856
Restricted cash	<b>19,137</b>	17,885
Residential properties	<b>18,053</b>	20,698
Assets for sale to the Shareholder	<b>12,906</b>	12,906
Other	<b>41,935</b>	39,436
Less: impairment allowance	<b>(28,154)</b>	(27,879)
	<b>678,946</b>	605,071

As at 30 June 2015 advances paid for non-current assets are mainly represented by advances paid for construction and purchase of property, plant and equipment.

**10. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprised the following:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
Bank deposits – tenge	<b>201,191</b>	229,167
Bank deposits – US dollars	<b>133,652</b>	559,049
Bank deposits – other currency	<b>3,844</b>	5,285
Current accounts with banks – tenge	<b>302,222</b>	267,300
Current accounts with banks – US dollars	<b>184,796</b>	148,609
Current accounts with banks – other currency	<b>15,047</b>	16,031
Cash on hand	<b>4,847</b>	3,308
Cash in transit	<b>1,306</b>	3,000
Reverse repurchase agreements with other banks with contractual maturity of three months or less	<b>4,679</b>	2,556
	<b>851,584</b>	1,234,305



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(continued)**

**10. CASH AND CASH EQUIVALENTS (continued)**

Short-term deposits are placed for varying periods of between 1 (one) day and 3 (three) months, depending on immediate cash needs of the Group. As at 30 June 2015 the weighted average interest rates for bank term deposits and current accounts were 4.4% and 0.88%, respectively (as at 31 December 2014: 3.42% and 0.66%).

**11. EQUITY**

**11.1 Share capital**

<b>Payment for shares</b>	<b>Number of shares authorized and issued</b>	<b>Par value per share, in tenge</b>	<b>Share capital, in millions of tenge</b>
<b>As at 31 December 2014 (audited)</b>	3,481,623,734	<b>11,619,075;</b>	4,620,562
Cash contributions	<b>9,013</b>	<b>12,700,435</b>	<b>105,810</b>
Promissory note contribution	<b>30,350</b>	<b>4,171,027</b>	<b>126,591</b>
<b>As at 30 June 2015 (unaudited)</b>	<b>3,481,663,097</b>		<b>4,852,963</b>

As at 30 June 2015 and December 31, 2014 all issued shares were fully paid.

*Cash contributions*

During the six months ended 30 June 2015 the Shareholder made a cash contribution of 105,810 million tenge to the Fund’s share capital. This amount was intended to finance projects of the Group’s subsidiaries.

*Promissory note contribution*

In April 2015 the State Property and Privatization Committee of the Republic of Kazakhstan contributed to the Fund’s share capital a promissory note of the Caspian Pipeline Consortium – K JSC for the total amount of 684 million US dollars (equivalent to 126,591 million tenge at the exchange rate on the contribution date) (*Note 7*).

**11.2 Dividends**

*Dividends attributable to non-controlling interest*

During the six months ended 30 June 2015 the Group declared dividends in the amount of 11,066 million tenge, 4,643 million tenge and 523 million tenge to the holders of non-controlling interest in KazMunayGas Exploration Production JSC, Kaztransoil JSC and Kazakhtelecom JSC, respectively.

During the six months ended 30 June 2015 dividends declared to other non-controlling interest were equal to 1,848 million tenge.

**11.3 Other distributions to the Shareholder**

*Construction and transfer of fixed assets*

During the six months ended 30 June 2015 the Group increased a provision for construction of the History Museum of Kazakhstan in Astana by 2,525 million tenge. The Group also recognized a provision for construction of kindergartens in Astana for the amount of 953 million tenge.

*Sponsorship under the Shareholder’s request*

During the six months ended 30 June 2015 in accordance with the Shareholder’s resolution, the Group provided sponsorship in the total amount of 2,298 million tenge for financing various projects.

*Other distributions*

During the six months ended 30 June 2015 the Group recognized as Other distributions to the Shareholder expenses of financing PSA LLP, which acts as the Government Body for the Production Sharing Agreements in oil and gas area, in the total amount of 1,253 million tenge.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(continued)**

**11. EQUITY (continued)**

**11.4 Earnings per share**

<i>In millions of tenge</i>	<b>For the six months ended 30 June 2015 (unaudited)</b>	<b>For the six months ended 30 June 2014 (unaudited)</b>
Profit attributable to equity holder from continuing operations	97,625	276,971
Net loss attributable to equity holder from discontinued operations	-	(6,472)
<b>Net profit attributable to equity holder for basic earnings</b>	<b>97,625</b>	<b>270,499</b>

<b>Weighted average number of common shares for basic and diluted earnings per share</b>	<b>3,481,639,523</b>	<b>3,481,606,862</b>
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**11.5 Book value of shares**

In accordance with the decision of the Exchange Board of the Kazakhstan Stock Exchange JSC (“KASE”) dated 4 October 2010 financial statements shall disclose book value per share (common and preferred) as of the reporting date, calculated in accordance with the KASE rules.

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
Total assets	16,225,645	16,637,674
Less: intangible assets	(340,024)	(334,289)
Less: total liabilities	(7,778,178)	(8,505,596)
<b>Net assets for common shares</b>	<b>8,107,443</b>	<b>7,797,789</b>
<b>Number of common shares</b>	<b>3,481,663,097</b>	<b>3,481,623,734</b>
<b>Book value per common share, tenge</b>	<b>2,329</b>	<b>2,240</b>

**12. BORROWINGS**

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
Fixed interest rate borrowings	3,848,542	4,575,675
Weighted average interest rate	6.94%	6.51%
Variable interest rate borrowings	1,121,854	1,066,587
Weighted average interest rate	3.79%	3.56%
	<b>4,970,396</b>	<b>5,642,262</b>
Less: amounts due for settlement within 12 months	(1,268,272)	(1,313,236)
<b>Amounts due for settlement after 12 months</b>	<b>3,702,124</b>	<b>4,329,026</b>

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
US dollar-denominated borrowings	3,342,032	4,029,894
Tenge-denominated borrowings	1,438,024	1,413,127
Other currency-denominated borrowings	190,340	199,241
	<b>4,970,396</b>	<b>5,642,262</b>

*Credit facility of China State Development Bank*

During the first half of 2015 the Group made an early repayment of loans provided by the China State Development Bank for the purpose of development of Bozshakol, Abyz and Bozymchak copper fields in the amount of 1,993 million US dollars (equivalent to 368,621 million tenge at the exchange rate at the date of repayment).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(continued)**

**12. BORROWINGS (continued)**

*Bonds repayment*

During the first half of 2015 NC KMG redeemed bonds issued at the London Stock Exchange in the amount of 1,500 million US dollars (equivalent to 276,150 million tenge at the exchange rate at the date of repayment) plus interest in the amount of 88 million US dollars (equivalent to 16,224 million tenge at the exchange rate at the date of repayment).

During the first half of 2015 NAC KAP redeemed bonds in the amount of 500 million US dollars (equivalent to 92,900 million tenge at the exchange rate at the date of repayment). For this purpose NAC KAP received a syndicated bank loan in the amount of 450 million US dollars (equivalent to 82,715 million tenge at the exchange rate at the date of a loan agreement).

*Other loans*

During the first half of 2015 NC KMG and its subsidiaries received a loan from Citibank N.A., Natixis and ING Bank in the amount of 400 million US dollars (equivalent to 74,480 million tenge at the exchange rate at the date of receipt) for the purpose of refinancing outstanding borrowings.

During the first half of 2015 NC KMG and its subsidiaries made a repayment of loans from ING Bank and VTB Bank in the amount of 200 million US dollars (equivalent to 37,050 million tenge at the exchange rate at the date of repayment) and 250 million US dollars (equivalent to 46,338 million tenge at the exchange rate at the date of repayment), respectively.

The carrying amount of borrowings by the Group subsidiaries is presented below:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	31 December 2014 (audited)
NC KMG and its subsidiaries	<b>2,775,775</b>	3,090,528
The Fund	<b>917,453</b>	1,306,118
NC KTZh and its subsidiaries	<b>716,627</b>	689,327
Samruk-Energy and its subsidiaries	<b>223,165</b>	188,349
NAC KAP and its subsidiaries	<b>130,418</b>	137,072
Other subsidiaries of the Fund	<b>206,958</b>	230,868
	<b>4,970,396</b>	5,642,262

**13. REVENUE**

Revenue comprised the following:

<i>In millions of tenge</i>	<b>For the six months ended 30 June 2015 (unaudited)</b>	For the six months ended 30 June 2014 (unaudited)
Sales of oil refined products	<b>736,824</b>	1,004,186
Sales of crude oil	<b>438,031</b>	363,541
Railway cargo transportation	<b>288,785</b>	346,648
Oil and gas transportation	<b>140,864</b>	142,593
Telecommunication services	<b>104,442</b>	92,727
Electricity complex	<b>99,518</b>	98,727
Sales of uranium products	<b>99,421</b>	105,951
Sales of gas products	<b>99,107</b>	123,876
Air transportation	<b>71,002</b>	74,112
Electricity transmission services	<b>43,088</b>	38,268
Railway passenger transportation	<b>34,253</b>	37,064
Interest income	<b>25,981</b>	50,230
Postal services	<b>14,431</b>	13,652
Other revenue	<b>199,156</b>	181,878
Less: indirect taxes and commercial discounts	<b>(155,782)</b>	(180,295)
	<b>2,239,121</b>	2,493,158

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(continued)**

**14. COST OF SALES**

Cost of sales comprised the following:

<i>In millions of tenge</i>	<b>For the six months ended 30 June 2015 (unaudited)</b>	<b>For the six months ended 30 June 2014 (unaudited)</b>
Materials and supplies	995,727	961,890
Personnel costs	326,219	311,461
Depreciation, depletion and amortization	179,119	183,545
Production services	58,034	58,809
Interest expense	43,697	40,311
Repair and maintenance	36,864	41,309
Mineral extraction tax	29,443	54,106
Taxes	20,427	12,502
Rent	13,945	18,172
Other	127,299	88,998
	<b>1,830,774</b>	<b>1,771,103</b>

**15. GENERAL AND ADMINISTRATIVE EXPENSES**

General and administrative expenses comprised the following:

<i>In millions of tenge</i>	<b>For the six months ended 30 June 2015 (unaudited)</b>	<b>For the six months ended 30 June 2014 (unaudited)</b>
Personnel costs	71,321	74,226
Taxes other than income tax	13,757	19,633
Depreciation and amortization	11,771	13,074
Sponsorship and charitable donations	11,576	18,949
Allowance for doubtful debts	9,827	8,328
Fines and penalties	8,787	2,592
Consulting services	7,673	8,793
Rent	3,563	3,348
Business trips	2,430	3,076
Repair and maintenance	1,410	1,844
Other	25,624	21,421
	<b>167,739</b>	<b>175,284</b>

**16. TRANSPORTATION AND SELLING EXPENSES**

Transportation and selling expenses comprised the following:

<i>In millions of tenge</i>	<b>For the six months ended 30 June 2015 (unaudited)</b>	<b>For the six months ended 30 June 2014 (unaudited)</b>
Custom duties	39,819	41,966
Transportation	27,068	27,334
Rent tax	22,782	88,638
Personnel costs	9,476	11,272
Depreciation and amortization	6,406	6,056
Commission fees to agents and advertising	5,084	4,139
Other	10,873	11,732
	<b>121,508</b>	<b>191,137</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(continued)**

**17. IMPAIRMENT LOSS**

Impairment loss comprised the following:

<i>In millions of tenge</i>	<b>For the six months ended 30 June 2015 (unaudited)</b>	<b>For the six months ended 30 June 2014 (unaudited)</b>
Impairment / (reversal of impairment) of investments in joint ventures and associates	15,499	(162)
Impairment of property, plant and equipment and intangible assets	4,908	25,362
(Reversal of impairment) / impairment of loans issued	(1,877)	23,798
Impairment of goodwill	-	32,917
Other	721	(401)
	<b>19,251</b>	<b>81,514</b>

**18. FINANCE COSTS**

Finance costs comprised the following:

<i>In millions of tenge</i>	<b>For the six months ended 30 June 2015 (unaudited)</b>	<b>For the six months ended 30 June 2014 (unaudited)</b>
Interest on loans and debt securities issued	117,208	120,388
Discount on financial assets	17,275	-
Unwinding of discount on provisions and other payables	4,179	2,262
Interest on finance lease liabilities	3,054	2,793
Other	16,072	13,512
	<b>157,788</b>	<b>138,955</b>

**19. SHARE IN PROFIT OF JOINT VENTURES AND ASSOCIATES, NET**

Share in profit / (loss) of joint ventures and associates comprised the following:

<i>In millions of tenge</i>	<b>For the six months ended 30 June 2015 (unaudited)</b>	<b>For the six months ended 30 June 2014 (unaudited)</b>
Tengizchevroil LLP	80,411	173,856
KazRosGas LLP	16,903	14,608
UralGroup Limited BVI	14,044	(674)
JV KazGerMunay LLP	7,707	15,420
JV KATCO LLP	7,293	2,231
Valseira Holdings B.V.	5,954	(541)
Mangistau Investments B.V.	5,422	44,081
Karatau LLP	3,675	2,119
JV Akbastau JSC	2,381	1,566
Forum Muider B.V.	2,331	1,669
Kazakhstan-China Pipeline LLP	1,463	(9,376)
Sekerbank T.A.S	928	1,884
Ekibastuzskaya GRES-1 LLP ("EGRES-1")	-	4,033
Asia Gas Pipeline LLP	-	(24,439)
Kazakhoil-Aktobe LLP	(3,299)	4,406
Beineu – Shymkent Gas Pipeline LLP	(3,705)	(14,964)
PetroKazakhstan Inc.	(4,574)	17,973
Other	5,789	(2,412)
	<b>142,723</b>	<b>231,440</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**20. NET FOREIGN EXCHANGE LOSS**

On 11 February 2014 the NBRK ceased control over the exchange rate of tenge to US dollar. As a result, tenge exchange rate was corrected against the US dollar and other major currencies. The exchange rates before and after correction were 155.56 tenge to 1 US dollar and 184.5 tenge to 1 US dollar, respectively, which led to significant foreign exchange gains and losses for the six months ended 30 June 2014.

**21. CONSOLIDATION**

Subsidiaries included in these interim condensed consolidated financial statements are presented as follows:

	<b>30 June 2015 (unaudited)</b>	31 December 2014 (audited)
1 National Company "KazMunayGas" JSC ("NC KMG") and subsidiaries	100.00%	100.00%
2 National Company "Kazakhstan Temir Zholy" JSC ("NC KTZh") and subsidiaries	100.00%	100.00%
3 National Atomic Company "Kazatomprom" JSC ("NAC KAP") and subsidiaries	100.00%	100.00%
4 Samruk-Energy JSC ("Samruk-Energy") and subsidiaries	100.00%	100.00%
5 Kazakhstan Electricity Grid Operating Company JSC ("KEGOC") and subsidiaries	90% + 1	90% + 1
6 Kazpost JSC and subsidiaries	100.00%	100.00%
7 Kazakhtelecom JSC ("KTC") and subsidiaries	51.00%	51.00%
8 Air Astana JSC ("Air Astana")	51.00%	51.00%
9 National Company "Kazakhstan Engineering" JSC ("Kazakhstan Engineering") and subsidiaries	100.00%	100.00%
10 Real Estate Fund "Samruk-Kazyna" JSC	100.00%	100.00%
11 National Mining Company "Tau-Ken Samruk" and subsidiaries	100.00%	100.00%
12 United Chemical Company LLP ("UCC") and subsidiaries	100.00%	100.00%
13 Samruk-Kazyna Invest LLP	100.00%	100.00%
14 Samruk-Kazyna Contract LLP	100.00%	100.00%
15 KOREM JSC	100.00%	100.00%
16 International Airport Atyrau JSC	100.00%	100.00%
17 International Airport Aktobe JSC	100.00%	100.00%
18 Airport Pavlodar JSC	100.00%	100.00%
19 Karagandagiproshaht and K LLP	90.00%	90.00%
20 SK Finance LLP	100.00%	100.00%
21 Kazakh Research Power Engineering Institute named after Chokin JSC	-	50% + 1
22 KGF IM	-	100.00%
23 Qazaq Air JSC	100.00%	-
24 "Kazakh nuclear power plants" JSC	100.00%	100.00%
25 "Aviation Company "Air Kazakhstan" JSC	53.65%	53.65%

**22. SIGNIFICANT NON-CASH TRANSACTIONS**

The following significant non-cash transactions have been excluded from the interim consolidated statement of cash flows for the six months ended 30 June 2015:

1. Contribution to the Fund's share capital of a promissory note of the Caspian Pipeline Consortium – K JSC for the total amount of 126,591 million tenge (*Note 11.1*);
2. Hedging of net investments in certain subsidiaries classified as foreign operations against selected borrowings denominated in US dollars. Effect of hedging was equal to 48,166 million tenge which was reclassified from profits and losses to other comprehensive income, under exchange differences on translation of foreign operations;
3. Purchase of property, plant and equipment, which is not paid by the end of the reporting period in the amount of 37,942 million tenge.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(continued)**

**23. RELATED PARTY DISCLOSURES**

The following table provides the total amount of transactions, which have been entered into with related parties during the six months ended 30 June 2015 and 30 June 2014 and the related balances as at 30 June 2015 and 31 December 2014:

<i>In millions of tenge</i>		<b>Associates</b>	<b>Joint ventures where the Group is a venturer</b>	<b>Other state-controlled entities</b>	<b>Other related parties</b>
Due from related parties	<b>30 June 2015</b>	<b>32,463</b>	<b>36,830</b>	<b>11,815</b>	<b>137</b>
	31 December 2014	34,735	29,722	10,837	136
Due to related parties	<b>30 June 2015</b>	<b>15,668</b>	<b>52,071</b>	<b>1,779</b>	<b>345</b>
	31 December 2014	36,929	45,164	1,945	-
Sale of goods and services	<b>30 June 2015</b>	<b>31,949</b>	<b>119,503</b>	<b>44,853</b>	<b>679</b>
	30 June 2014	26,817	113,397	35,942	1,189
Purchases of goods and services	<b>30 June 2015</b>	<b>38,200</b>	<b>106,531</b>	<b>7,266</b>	<b>100</b>
	30 June 2014	50,417	130,812	13,567	932
Cash and cash equivalents and amounts due from credit institutions	<b>30 June 2015</b>	-	-	<b>244,375</b>	-
	31 December 2014	-	-	237,543	-
Loans issued	<b>30 June 2015</b>	<b>138,286</b>	<b>164,670</b>	<b>114,812</b>	<b>9,882</b>
	31 December 2014	49,723	148,513	112,467	7,543
Borrowings	<b>30 June 2015</b>	-	-	<b>1,004,820</b>	-
	31 December 2014	32,224	6	989,252	-
Other assets	<b>30 June 2015</b>	<b>7,648</b>	<b>68,739</b>	<b>15,022</b>	<b>5</b>
	31 December 2014	2,424	50,203	15,850	5
Other liabilities	<b>30 June 2015</b>	<b>3,117</b>	<b>2,723</b>	<b>18,473</b>	<b>38</b>
	31 December 2014	3,686	836	11,028	17
Interest received	<b>30 June 2015</b>	<b>2,318</b>	<b>8,173</b>	<b>6,276</b>	<b>392</b>
	30 June 2014	2,437	4,054	6,949	1,187
Interest accrued	<b>30 June 2015</b>	<b>284</b>	<b>125</b>	<b>25,160</b>	-
	30 June 2014	45	12	34,228	-

Total compensation to key management personnel included in personnel costs in the accompanying interim consolidated statement of comprehensive income was equal to 7,841 million tenge for the six months ended 30 June 2015 (for the six months ended 30 June 2014: 6,612 million tenge). Compensation to key management personnel consists primary of contractual salary and performance bonus based on operating results.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(continued)**

**24. FAIR VALUES OF FINANCIAL INSTRUMENTS**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 June 2015 and 31 December 2014 the carrying amount of the Group’s financial instruments is a reasonable approximation of their fair value, except for financial instruments presented below:

<i>In millions of tenge</i>	Level 1	Level 2	Level 3	30 June 2015 (unaudited)
<b>Financial instruments category</b>				
<b>Assets</b>				
Available-for-sale financial assets	53,748	100	968	54,816
Financial assets at fair value through profit and loss	-	122	7,435	7,557
Derivative financial assets	-	938	647	1,585
<b>Liabilities</b>				
Derivative financial liabilities	-	587	304	891

<i>In millions of tenge</i>	Level 1	Level 2	Level 3	31 December 2014 (audited)
<b>Financial instruments category</b>				
<b>Assets</b>				
Available-for-sale financial assets	70,042	907	78	71,027
Financial assets at fair value through profit and loss	-	4,079	3,368	7,447
Derivative financial assets	-	12,102	379	12,481
<b>Liabilities</b>				
Derivative financial liabilities	-	2,156	-	2,156

<i>In millions of tenge</i>	Carrying amount	30 June 2015 (unaudited)			
		Fair value	Fair value by level of assessment		
			Quotations in an active market (Level 1)	From the observed market (Level 2)	Based on the significant amount of unobserved (Level 3)
<b>Financial assets</b>					
Amounts due from credit institutions	1,737,817	1,764,443	757,621	970,209	36,613
<b>Financial liabilities</b>					
Borrowings	4,970,396	4,827,895	2,387,775	2,133,086	307,034
Loans from the Government of the Republic of Kazakhstan	418,583	379,352	-	379,352	-



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(continued)**

**24. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)**

<i>In millions of tenge</i>	31 December 2014 (audited)				
	Carrying amount	Fair value	Fair value by level of assessment		
			Quotations in an active market (Level 1)	From the observed market (Level 2)	Based on the significant amount of unobserved (Level 3)
<b>Financial assets</b>					
Amounts due from credit institutions	1,838,604	1,806,337	897,699	862,997	45,641
<b>Financial liabilities</b>					
Borrowings	5,642,262	5,379,111	2,980,365	2,225,469	173,277
Loans from the Government of the Republic of Kazakhstan	413,744	393,488	–	393,488	–

The fair value of the Level 3 financial instruments has been calculated by discounting the expected future cash flows at prevailing interest rates.

**25. COMMITMENTS AND CONTINGENCIES**

As at 30 June 2015 there were no significant changes in commitments and contingencies disclosed in the Group annual consolidated financial statements as at 31 December 2014, except for the following:

**Cost recovery audits**

Under the base principles of the production sharing agreements, the Government transferred to contractors the exclusive rights to conduct activities in the subsurface use area, but did not transfer rights to this subsurface use area either to ownership or lease. Thus, all extracted and processed oil (i.e. the hydrocarbons produced) are the property of the Government. Works are carried out on the basis of compensation and the Government pays the contractors not in cash but in the form of the portion of oil production, thereby allowing the contractors to recover their costs and earn profit.

In accordance with the production sharing agreements not all costs incurred by the contractors could be reimbursed. Certain expenditures need to be approved by the authorized body. The authorized body conducts the cost recovery audits. In accordance with the costs recovery audits completed prior to 31 December 2014 certain amounts of the costs incurred by contractors were assessed as non-recoverable. The parties to the production sharing agreements are in negotiations with respect to the recoverability of those costs.

As at 30 June 2015 the Group’s share in the total disputed amounts of the non-recoverable costs is equal to 132,562 million tenge (as at 31 December 2014: 64,286 million tenge). The Group and its partners under the production sharing agreements are in negotiation with the authorized body with respect to the recoverability of these costs.

**Commitments under oilfield and mining field licenses and subsurface use contracts**

As at 30 June 2015 the Group had following commitments on fulfillment of minimal work programs with respect to the requirements of their oilfield and mining licenses and related subsurface use contracts with the Government (in millions of tenge):

Year	Capital expenditures	Operational expenditures
2015	86,558	45,107
2016	95,931	46,060
2017	37,554	44,345
2018	32,757	43,703
2019-2025	156,363	320,826
<b>Total</b>	<b>409,163</b>	<b>500,041</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**25. COMMITMENTS AND CONTINGENCIES (continued)**

**Capital commitments**

*NC KMG*

As at 30 June 2015, NC KMG group had other capital commitments of approximately 656,000 million tenge related to acquisition and construction of property, plant and equipment, including joint ventures (as at 31 December 2014: 832,000 million tenge).

*NC KTZh*

As at 30 June 2015, KTZh had committed to contracts for the construction of Zhezkazgan – Beineu and Arkalyk – Shubarkol railways, the construction of a multifunctional ice palace in Astana, construction of a dry port and infrastructure in special economic zone Khorgos – Eastern Gate, purchase of cargo and passenger electric locomotives, cargo and passenger railcars and backbone locomotives totaling 681,581 million tenge (as at 31 December 2014: 555,846 million tenge).

*Samruk-Energy JSC*

As at 30 June 2015, capital commitments of Samruk-Energy JSC under the contracts on acquisition of plant, property and equipment were equal to 149,545 million tenge (as at 31 December 2014: 191,853 million tenge).

*Capital commitments of Samruk-Energy joint ventures*

As at 30 June 2015 Samruk Energy group’s share in capital commitments of joint ventures (Forum Muider, EGRES-2) was equal to 42,104 million tenge (as at 31 December 2014: 14,931 million tenge).

*United Chemical Company LLP*

As at 30 June 2015, capital commitments of United Chemical Company LLP under the contracts on acquisition of plant, property and equipment were equal to 100,856 million tenge (as at 31 December 2014: 31,750 million tenge).

**Commitments on secondary use of anti-crisis funds**

In accordance with the minutes of the meetings of the State commission on economy modernization issues of the Republic of Kazakhstan No. 17-5/И-380 dated 5 April 2012, No. 17-5/11-10 dated 30 January 2013 and No. 17-5/И 788 dated 7 October 2013 the Fund is obliged to finance certain investment projects in the total amount of 571,852 million tenge during 2012-2014.

In accordance with the above, the Fund’s commitments as at 30 June 2015 were equal to 87,152 million tenge (as at 31 December 2014: 101,028 million tenge), including the commitments to finance investment projects in the amount of 40,287 million tenge (as at 31 December 2014: 48,913 million tenge), and the Fund’s commitments to finance the project “Affordable Housing – 2020” in the amount of 46,865 million tenge (as at 31 December 2014: 52,115 million tenge).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**26. SEGMENT REPORTING**

The following table represents information on assets and liabilities of operating segments of the Group as at 30 June 2015 and profit and loss for the six months then ended:

<i>In millions of tenge</i>	Oil and gas	Mining and industrial	Transportation	Telecommunication	Energy	Financial and innovation institutions	Corporate center and projects	Elimination	Total
Revenue from sales to third party customers	1,371,094	162,885	409,341	118,684	149,532	2,915	24,670	–	2,239,121
Revenue from sales to other segments	25,659	12,120	7,419	2,128	16,245	16	59,460	(123,047)	–
<b>Total revenue</b>	<b>1,396,753</b>	<b>175,005</b>	<b>416,760</b>	<b>120,812</b>	<b>165,777</b>	<b>2,931</b>	<b>84,130</b>	<b>(123,047)</b>	<b>2,239,121</b>
<b>Gross profit for the period</b>	<b>256,060</b>	<b>29,121</b>	<b>63,214</b>	<b>38,571</b>	<b>60,332</b>	<b>1,629</b>	<b>36,479</b>	<b>(62,287)</b>	<b>423,119</b>
General and administrative expenses	(73,163)	(14,817)	(40,234)	(13,643)	(18,725)	(890)	(9,592)	3,325	(167,739)
Transportation and selling expenses	(114,643)	(2,196)	(2,771)	(2,871)	(1,659)	–	–	2,632	(121,508)
Finance income	32,133	3,786	3,391	2,169	3,070	2,023	29,494	(3,945)	72,121
Finance costs	(112,879)	(5,418)	(33,133)	(4,224)	(12,217)	(903)	(114)	11,100	(157,788)
Foreign exchange gain/(loss), net	23,587	(470)	(12,574)	(252)	211	–	1,549	151	12,202
Share in profits of joint ventures and associates	122,254	16,342	269	–	2,931	927	–	–	142,723
Income tax expenses	(56,580)	(2,335)	399	(5,576)	(9,606)	(321)	(6,122)	–	(80,141)
Net profit/(loss) for the period from continuing operations	80,157	19,790	(18,833)	15,736	24,628	1,572	37,876	(46,982)	113,944
<b>Total net profit/(loss) for the period</b>	<b>80,157</b>	<b>19,790</b>	<b>(18,833)</b>	<b>15,736</b>	<b>24,628</b>	<b>1,572</b>	<b>37,876</b>	<b>(46,982)</b>	<b>113,944</b>
<b>Other segment information as at 30 June 2015</b>									
Total assets of the segment	8,800,447	1,266,593	2,980,480	464,238	1,314,115	137,780	5,369,145	(4,107,153)	16,225,645
Total liabilities of the segment	4,194,782	335,539	1,516,662	165,838	621,128	104,597	1,414,297	(574,665)	7,778,178
Investments in joint ventures and associates	1,280,988	426,351	42,030	–	118,970	–	37,569	(36,505)	1,869,403

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**26. SEGMENT REPORTING (continued)**

The following table represents information on assets and liabilities of operating segments of the Group as at 31 December 2014 and profit and loss for the six months ended 30 June 2014:

<i>In millions of tenge</i>	Oil and gas	Mining and industrial	Transportation	Telecommunication	Energy	Financial and innovation institutions	Corporate center and projects	Elimination	Total
Revenues from sales to external customers	1,582,301	154,237	474,252	105,538	123,766	31,786	21,278	–	2,493,158
Revenues from sales to other segments	25,586	11,177	7,927	2,921	15,489	3,160	65,107	(131,367)	–
<b>Total revenue</b>	<b>1,607,887</b>	<b>165,414</b>	<b>482,179</b>	<b>108,459</b>	<b>139,255</b>	<b>34,946</b>	<b>86,385</b>	<b>(131,367)</b>	<b>2,493,158</b>
<b>Gross profit for the period</b>	<b>497,226</b>	<b>37,500</b>	<b>123,384</b>	<b>30,628</b>	<b>38,314</b>	<b>13,480</b>	<b>36,133</b>	<b>(39,061)</b>	<b>737,604</b>
General and administrative expenses	(69,476)	(14,210)	(44,084)	(13,291)	(12,617)	(8,797)	(16,909)	4,100	(175,284)
Transportation and selling expenses	(185,149)	(2,184)	(2,781)	(1,850)	(737)	–	–	1,564	(191,137)
Finance income	28,451	5,335	3,034	2,006	2,375	1,968	25,983	(13,223)	55,929
Finance costs	(101,821)	(5,762)	(23,521)	(3,474)	(13,865)	(789)	(3,115)	13,392	(138,955)
Foreign exchange gain/(loss), net	80,901	(22,530)	(93,506)	(7,544)	(8,506)	(14,803)	10,949	53	(54,986)
Share in profits of joint ventures and associates	222,696	3,141	165	–	3,554	1,884	–	–	231,440
Income tax expenses	(107,306)	(3,485)	5,724	(3,859)	(4,135)	(192)	(6,541)	–	(119,794)
Net profit/(loss) for the period from continuing operations	335,760	(3,224)	(30,469)	3,072	47,832	(26,263)	20,218	(31,722)	315,204
Net profit/(loss) for the period from discontinued operations	(219)	–	414	–	–	(6,667)	–	–	(6,472)
<b>Total net profit/(loss) for the period</b>	<b>335,541</b>	<b>(3,224)</b>	<b>(30,055)</b>	<b>3,072</b>	<b>47,832</b>	<b>(32,930)</b>	<b>20,218</b>	<b>(31,722)</b>	<b>308,732</b>
<b>Other segment information as at 31 December 2014</b>									
Total assets of the segment	8,892,801	1,189,779	3,007,926	468,891	1,282,988	156,022	5,487,572	(3,848,305)	16,637,674
Total liabilities of the segment	4,475,689	340,441	1,541,120	185,400	600,813	102,377	1,810,681	(550,925)	8,505,596
Investments in joint ventures and associates	1,217,661	431,348	37,386	–	111,520	52,424	–	(36,505)	1,813,834

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 27. SUBSEQUENT EVENTS

#### **Borrowings**

On 24 July 2015 NC KTZh entered into a loan agreement with the European Bank of Reconstruction and Development (“EBRD”) in the amount of 300 million US dollars (equivalent to 56,115 million tenge as at the date of signing) for the refinancing of Eurobonds that mature in 2016. According to this agreement, EBRD provided amount of 150 million US dollars with maturity period up to 8 years, and amount of 150 million US dollars with maturity period up to 5 years will be provided by syndicate of commercial banks, that includes Citibank, Mizuho Bank Ltd, Société Générale, Sumitomo Mitsui Banking Corporation, Bank of Tokyo-Mitsubishi UFJ Ltd. Interest will be paid in semiannual instalments at the rates LIBOR + 2.25% and LIBOR + 1.8% per annum. The drawdown of loan is expected in May 2016.

On 1 September 2015 UCC group concluded a loan agreement with China Development Bank Corporation for a total amount of 100 million US dollars (equivalent to 23,494 million tenge as at the date of signing) for ten years and 5.2% annual rate. The aim of the loan is to finance construction of integrated chemical complex projects of “Production of glyphosate (herbicide)” and “Production of threechlorium phosphorus”.

#### **Litigation**

On 22 July 2015 the court has removed arrest from LLC Batumi Oil Terminal’s shares in Batumi Oil Terminal, Batumi Oil Terminal’s property and exclusive rights to control 100% share in Batumi Sea Port in favor the NC KMG.

On 1 September 2015 the Department of state revenues in Astana issued an Act of comprehensive tax inspection of “KazMunayGas Exploration and Production” JSC for the period from 2009 till 2012 for a total amount of 38,512 million tenge, including penalties and fines. “KazMunayGas Exploration and Production” JSC does not concur with assessments made in the Act of tax inspection and plans to appeal against the notice to the authorized body.

#### **Dividends received**

In July 2015 Tengizchevroil LLP paid dividends to NC KMG in the amount of 31,677 million tenge.

On 25 August 2015 KazRosGas LLP paid dividends to NC KMG in the amount of 40,911 million tenge.

#### **Changes in the Group structure**

On 6 August 2015, in accordance with the Resolution of the Government of the Republic of Kazakhstan dated 23 July 2015 №570, the Fund disposed 10 (ten) % of the shares plus 1 (one) common share of NC KMG for the total amount of 750,000 million tenge at the KASE. As a result of this transaction, the National Bank of the Republic of Kazakhstan became the second shareholder of NC KMG.

#### **Bonds purchased by third parties**

In August 2015 the Fund redeemed bonds acquired by BTA Bank JSC and Alliance Bank JSC in 2009 in the amount of 750,000 million tenge.

#### **Contributions to the share capital**

On 27 July 2015 the Shareholder made cash contribution to the Fund share capital in the amount of 4,800 million tenge.

#### **Other events**

On 20 August 2015 the National Bank and the Government of the Republic of Kazakhstan decided to implement a new monetary policy based on inflation targeting regime, abolish the currency corridor and move to a free float exchange rate.

On 4 September 2015 the Government of the Republic of Kazakhstan ceased regulation of gasoline retail prices. The gasoline АИ-80 and diesel fuel are included in the list of refined oil products where prices are still regulated by the Government.