

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

Interim condensed consolidated
financial statements (unaudited)

As at 31 March 2014 and for the three months then ended

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Report on the review of the interim condensed consolidated financial statements

Interim condensed consolidated financial statements (unaudited)

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INTERIM CONSOLIDATED BALANCE SHEET

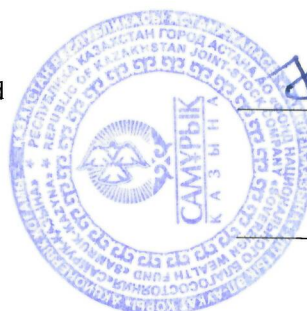
<i>In millions of Tenge</i>	Notes	31 March 2014	31 December 2013 (audited)
Assets			
Non-current assets			
Property, plant and equipment	4	7.479.166	7.018.234
Intangible assets		292.575	284.325
Investments in joint ventures and associates	5	1.835.443	1.717.249
Loans to customers	6	699.153	647.083
Amounts due from credit institutions		257.304	282.676
Deferred income tax asset		52.218	42.084
Other financial assets		138.422	133.829
Other non-current assets		493.079	461.896
		11.247.360	10.587.376
Current assets			
Inventories		366.496	346.300
VAT recoverable		249.609	248.792
Income tax prepaid		73.196	77.721
Trade accounts receivable		404.243	361.069
Loans to customers	6	195.864	249.800
Amounts due from credit institutions		1.328.974	1.291.888
Other financial assets		93.164	92.686
Other current assets		248.051	211.020
Cash and cash equivalents	7	1.169.097	740.994
		4.128.694	3.620.270
Assets classified as held for sale		1.164.688	1.086.843
Total assets		16.540.742	15.294.489

Notes on pages 9 to -30 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED BALANCE SHEET (continued)

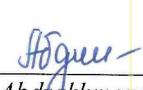
<i>In millions of Tenge</i>	Notes	31 March 2014	31 December 2013 (audited)
Equity and liabilities			
Equity attributable to the Shareholder			
Share capital	8	4.491.467	4.484.676
Available-for-sale financial assets revaluation reserve		30.943	25.302
Currency translation reserve		429.896	272.655
Other capital reserves		(2.441)	(2.711)
Retained earnings		2.008.155	1.947.379
		6.958.020	6.727.301
Non-controlling interest			
		837.224	779.291
Total equity		7.795.245	7.506.592
Non-current liabilities			
Loans	9	3.661.305	3.366.527
Loans of the Government of the Republic of Kazakhstan	10	399.791	197.216
Finance lease liabilities		83.947	74.982
Allowances		145.458	137.246
Deferred income tax liability		377.560	377.919
Employee benefit liabilities		57.761	55.717
Amounts due to customers	11	83.763	11.152
Other non-current liabilities		321.656	272.798
		5.131.241	4.493.557
Current liabilities			
Loans	9	912.381	607.839
Loans of the Government of the Republic of Kazakhstan	10	126.265	71.342
Finance lease liabilities		13.530	13.698
Allowances		138.120	140.711
Employee benefit liability		4.389	4.578
Income taxes payable		65.689	58.010
Trade and other accounts payable		413.205	429.407
Amounts due to customers	11	90.724	230.763
Other current liabilities		546.914	518.042
		2.311.217	2.074.390
Liabilities associated with assets classified as held for sale		1.303.038	1.219.950
Total liabilities		8.745.496	7.787.897
Total equity and liabilities		16.540.742	15.294.489

Finance director – Member of the Management Board




Nurlan Rakhmetov

Chief Accountant



Almaz Abdalikhmanova

Notes on pages 9 to -30 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In millions of Tenge</i>	Notes	For the three months ended 31 March 2014	For the three months ended 31 March 2013 (restated)*
Revenue	12	1,238,072	1,145,202
Government grants		7,610	7,282
		1,245,682	1,152,484
Cost of sales	13	(887,583)	(826,000)
Gross profit		358,099	326,484
General and administrative expenses	14	(83,185)	(80,683)
Transportation and selling expenses	15	(88,987)	(78,815)
Loss from impairment	16	(29,672)	(56,397)
Other operating loss, net		(8,915)	(4,131)
Profit from operations		147,340	(106,458)
Finance costs		(71,932)	(51,772)
Finance income		27,112	17,202
Share in profit of joint ventures and associates, net	17	95,869	169,927
Foreign exchange (loss) / gain, net	18	(55,418)	401
Net profit before income tax from continuing operations		142,971	242,216
Income tax expenses		(52,266)	(52,112)
Profit for the period from continuing operations		90,705	190,104
Profit from discontinued operations, net of tax		11,926	6,210
Net profit for the period		102,631	196,314

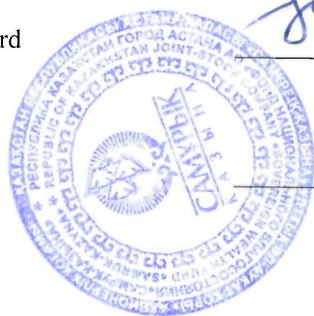
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INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

<i>In millions of Tenge</i>	Notes	For the three months ended 31 March 2014	For the three months ended 31 March 2013 (restated)*
Other comprehensive income, net of tax			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Restatement of reporting currency		176,976	3,602
Unrealised profit/(loss) from revaluation of available-for-sale investments revaluation loss		4,142	(55,683)
Net realized profit/(loss) / on investments available-for-sale		1,686	(104)
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		182,804	(52,185)
<i>Other comprehensive income not to be reclassified to profit or loss in the subsequent periods:</i>			
Revaluation of actuarial gains on defined benefit plans, net of taxes		(770)	-
Loss from cash flow hedging instruments		-	(254)
Other comprehensive loss not to be reclassified to profit or loss in the subsequent periods:		(770)	(254)
Other comprehensive income / (loss) for the period, net of tax		182,034	(52,439)
Total comprehensive income for the period, net of income tax		284,665	143,875
Net profit for the period attributable to:			
the Shareholder of the Parent		63,135	177,251
Non-controlling interest		39,496	19,063
		102,631	196,314
Total comprehensive income for the period, net of income tax, attributable to:			
the Shareholder of the Parent		225,536	125,676
Non-controlling interest		59,129	18,199
		284,665	143,875
Earnings per share:			
Basic and diluted share of earnings for the period relating to the shareholder (Tenge)	8	18.13	50.91
Earnings/(loss) per share from continuing activities:			
Basic and diluted share of earnings/(loss) from continuing activities relating to the shareholder (Tenge)	8	15.06	49.39

*Certain amounts given above are not consistent with the amounts in the consolidated financial statements for the three months ended 31 March 2013, since they reflect restatements of BTA Bank JSC and Temirbank JSC classified as disposal groups and recorded within discontinued operations.

Finance director – Member of the Management Board



Nurlan Rakhmetov

Chief Accountant

Almaz Abdrakhmanova

Notes on pages 9 to -30 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In millions of Tenge	Notes	Attributable to the Shareholder of the Parent							Non-controlling interest	Total
		Share capital	Investments revaluation reserve	Currency translation reserve	Other capital reserves	Retained earnings	Total			
Balance as at 31 December 2012 (audited)		4,409,314	24,846	219,712	16,200	1,944,252	6,614,324	801,135	7,415,459	
Comprehensive loss for the period		-	(54,930)	3,610	(253)	176,822	125,249	18,197	143,446	
Discount on bonds purchased by the National Bank of the Republic of Kazakhstan		-	-	-	-	249,828	249,828	-	249,828	
Dividends		-	-	-	-	-	-	(55)	(55)	
Recognition of share based payments		-	-	-	29	16	45	12	58	
Change in ownership interests of subsidiaries – acquisition of non-controlling interest		-	-	-	-	(416)	(416)	(57)	(473)	
Buy back of shares of a subsidiary from the market performed by a subsidiary		-	-	-	-	(59)	(59)	(61)	(120)	
Other distributions to the Shareholder		-	-	-	-	(7,910)	(7,910)	-	(7,910)	
Balance as at 31 March 2013 (unaudited)		4,409,314	(30,084)	223,322	15,976	2,362,533	6,981,061	819,171	7,800,232	

Notes on pages 9 to 30 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

In millions of Tenge	Attributable to the Shareholder of the Parent							Total	Non-controlling interest	Total
	Notes	Share capital	Investments revaluation reserve	Available-for-sale investments revaluation reserve	Currency translation reserve	Other capital reserves	Retained earnings			
Balance as at 31 December 2013 (audited)		4,484,676	25,302	272,655	(2,711)	1,947,379	6,727,301	779,291	7,506,592	
Comprehensive loss for the period		-	5,853	157,241	-	62,440	225,534	59,128	284,662	
Issue of shares	8	6,791	-	-	-	-	6,792	-	6,792	
Other transactions with the Shareholder		-	-	-	-	464	464	-	464	
Change in ownership interests of subsidiaries – acquisition of non-controlling interest		-	(212)	-	311	2	101	(1,145)	(1,044)	
Other distributions to the Shareholder		-	-	-	-	(2,140)	(2,140)	-	(2,140)	
Other changes in capital		-	-	-	(41)	10	(32)	(50)	(82)	
Balance as at 31 March 2014 (unaudited)		4,491,467	30,943	429,896	(2,441)	2,008,155	6,958,020	837,224	7,795,244	

Finance director – Member of the Management Board

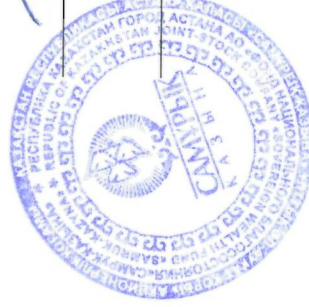


Nurlan Rakhmetov

Chief Accountant



Almaz Abdakhanova



INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		For the three months ended 31 March 2014	For the three months ended 31 March 2013 (restated)*
Cash flows from operating activities			
Profit before income tax from continuing activities		142,971	242,216
Profit before income tax from discontinued operations		12,655	5,876
<i>Adjustments for:</i>			
Depreciation, depletion and amortization	13,14, 15	98,513	90,164
Share in profit of joint ventures and associates	5,17	(95,869)	(169,927)
Finance costs		71,932	51,772
Finance income		(27,112)	(17,202)
Loss from impairment	16	29,672	56,397
Long-term employee benefit liabilities		2,513	990
Provision charges		2,411	9,286
Provision for doubtful trade accounts receivable and other current assets	14	3,154	1,218
Derivative financial instruments		8,590	7,050
Loss /(profit) from disposal of property, plant and equipment and other non-current assets, net		2,579	(693)
Unrealised foreign exchange loss on continuing operations		55,418	(401)
Unrealised foreign exchange loss on discontinued operations		(12,611)	333
Other non-monetary operations		2,931	(1,904)
Cash flows from operating activities before changes in working capital		297,747	275,175
Changes in other non-current assets		7,825	(4,628)
Changes in loans to clients		114,814	(23,382)
Changes in amounts due from credit institutions		12,324	(873)
Changes in financial assets		(8,312)	11,464
Changes in inventory		1,863	(28,637)
Changes in VAT recoverable		(3,926)	5,315
Changes in trade accounts receivable		(37,226)	(13,798)
Changes in other current assets		(34,075)	(12,049)
Changes in borrowings and loans from the Government of the Republic of Kazakhstan		(31,983)	152,661
Changes in trade accounts payables		14,386	(38,987)
Changes in amounts due to the customers		(79,200)	(12,678)
Changes in derivative financial instruments		319	(936)
Changes in other liabilities		51,893	7,097
Cash flows from operating activities		306,449	315,744
Income tax paid		(59,845)	(57,679)
Interest paid		(35,980)	(25,669)
Interest received		11,959	10,735
Net cash flow from operating activities		222,583	243,131

Notes on pages 9 to -30 are an integral part of these interim condensed consolidated financial statements.

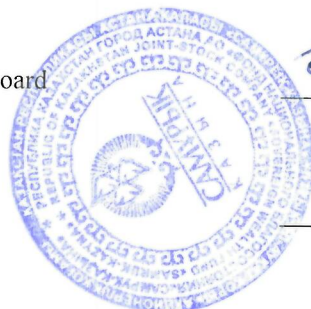
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	For the three months ended 31 March 2014	For the three months ended 31 March 2013 (restated)*
Cash flows from investing activities		
Return of bank deposits, net	91,982	12,238
Acquisition of joint ventures and associates	(1,425)	(250,128)
Acquisition of subsidiaries, net of acquired cash	-	(9,825)
Purchase of property, plant and equipment	(120,944)	(133,819)
Purchase of intangible assets	(826)	(1,896)
Purchase of other financial assets, net	(15,498)	11,355
Proceeds from sale of property and equipment	819	1,171
Advances paid for non-current assets	(27,868)	(24,406)
Dividends obtained from joint entities, associates	5 65,071	75,003
Cash of subsidiaries reclassified to assets held for sale	-	(170,908)
Execution of shares call option	(40)	-
Net cash used in investing activities	(8,729)	(491,215)
Cash flows from financing activities		
Proceeds from borrowings	334,306	164,486
Repayment of loans	(154,568)	(148,651)
Repayment of finance lease liabilities	(3,411)	(2,245)
Buy back of shares of a subsidiary from the market performed by a subsidiary	-	(120)
Transactions with the Shareholder	(11,299)	(6,332)
Dividends paid to non-controlling shareholders of subsidiaries	(9)	(55)
Acquisition of non-controlling interest	-	(485)
Net cash from/(used in) financing activities	165,019	6,598
Effect of exchange rates changes on cash and cash equivalents	49,230	(145)
Net change in cash and cash equivalents	428,103	(241,631)
Cash and cash equivalents, beginning	7 740,994	1,465,548
Cash and cash equivalents, ending	7 1,169,097	1,223,917

*Certain amounts given above are not consistent with the amounts in the consolidated financial statements for the three months ended 31 March 2013, since they reflect restatements of BTA Bank JSC and Temirbank JSC classified as disposal groups and recorded within discontinued operations.

Information on significant non-cash transactions is disclosed in Note 20.

Finance director – Member of the Management Board



Nurlan Rakhmetov
Nurlan Rakhmetov

Chief Accountant

Almaz Abdrakhmanova
Almaz Abdrakhmanova

Notes on pages 9 to -30 are an integral part of these interim condensed consolidated financial statements.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**1. GENERAL****Corporate information**

Sovereign Wealth Fund “Samruk-Kazyna” JSC (the “Fund” or “Samruk-Kazyna”) was established on November 3, 2008 in accordance with the Decree of the President of the Republic of Kazakhstan dated October 13, 2008 and the Decree of the Government of the Republic of Kazakhstan dated October 17, 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 of ownership in certain entities owned by the Government of the Republic of Kazakhstan (the “Government” or the “State”) to the Fund. The founder of the Fund is the Government of the RK represented by the Committee for State Property and Privatization of the Ministry of Finance of the Republic of Kazakhstan. The Government is the sole shareholder of the Fund (the “Shareholder”).

The Government’s overall objective of Kazyna and Samruk merger is to increase management efficiency and to optimise organisational structures in the Fund’s subsidiaries in order to achieve successfully their strategic objectives set in the respective Government programs and development plans.

The Fund is a holding company combining a number of entities listed in Note 19 (the “Group”). Prior to February 21, 2012, the Fund’s activities were governed by the Law of the Republic of Kazakhstan “On Sovereign Wealth Fund” No. 134-4 dated February 13, 2009 and were aimed at assistance in providing stable development of the state economy, modernization and diversification of economy, and improvement of the Fund companies’ efficiency. According to the Law of the Republic of Kazakhstan enacted on February 1, 2012 “On Sovereign Wealth Fund” No. 550-4, 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 assets of the Group.

For management purposes, the Group is organized into organizational business units based on their products and services, and has seven reportable operating segments (*Note 24*):

- 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, gas 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 rent 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 Electricity System of Kazakhstan;
- Mining and industrial segment is engaged in exploration, mining, processing and sales of mineral resources, military industry enterprises and civil machine industry, projects for the development of chemical industry and geological exploration;
- Financial and Innovation Institutions segment includes operations related to development and stimulation of investment and innovation activities in all segments of the economy of Republic of Kazakhstan. Further, this segment includes commercial banks acquired by the Fund during 2009;
- Segment of Corporate center and projects includes Fund’s investing and financing activities, including provision of loans to related and third parties

The Fund’s registered office is located at the following address: Astana city, Yessil district, 23, Kabanbai batyr ave..

These consolidated financial statements were authorised for issue on May 29, 2014, by the CFO – Member of the Management Board and Chief Accountant of the Fund.

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

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements for the three months ended 31 March 2014 were prepared in accordance with International Accounting Standard No. 34 “Interim financial statements” (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 2013.

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 three months ended March 31, 2014 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 («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 exchange rates at the end of the period are recognized in profit and loss.

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 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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

Foreign currency translation

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 currency exchange rate to Tenge:

	31 March 2014	31 December 2013
US Dollars	182.06	154.06
Euro	250.21	212.02
Russian Rouble	5.11	4.68
CHF	205.11	173.02

The currency exchange rate of KASE as at May 29, 2014 was 183.96 Tenge to 1 US Dollar.

New standards, interpretations and amendments thereof first time adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2013, apart from the following:

The following new standards and amendments are effective as of 1 January 2014:

- IAS 32 Presentation - Offsetting Financial Assets and Financial Liabilities;
- IAS 36 Disclosure of recoverable value for non-financial assets;
- Interpretation IFRIC 21 Obligatory payments;
- IFRS 10, IFRS 12, IAS 27 Investment Entities;
- IAS 39 Financial instruments: Novation of derivative instruments and continuation of hedging accounting.

The application of these new standards and amendments did not have any impact on the financial position or performance of the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. SEASONALITY OF OPERATIONS

Operating expenses of the Group are subject to seasonal fluctuations. In this connection, higher expenses on materials, professional services, technical maintenance and other services are generally expected in the second half. Such fluctuations are mainly due to the fact that procurement took place in the first half of a year, and execution of contracts, including the purchase of goods and services takes place in the second half of the year.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. PROPERTY, PLANT AND EQUIPMENT

	Oil and gas assets	Exploration and evaluation assets	Pipelines and refinery assets	Buildings and construction	Railway tracks and infrastructure	Machinery, equipment and vehicles	Mining assets	Other	Construction in progress	Total
<i>In millions of Tenge</i>										
Net book value at January 1, 2014 (audited)	2,067,708	205,152	768,002	601,499	599,537	1,928,114	33,719	62,205	752,298	7,018,234
Foreign currency translation	326,237	18,703	59,456	10,230	-	9,523	-	763	1,548	426,460
Additions	31,794	2,936	8,394	548	68	14,848	1,721	1,275	97,760	159,344
Disposals	(810)	-	(134)	(4,092)	(4)	(6,787)	-	(1,304)	(602)	(13,733)
Depreciation charge	(17,860)	-	(16,148)	(7,951)	(5,859)	(42,435)	(2,278)	(3,675)	-	(96,206)
Depreciation on disposals	810	-	129	3,169	4	5,294	-	1,229	-	10,635
Impairment provision, net of reversal	(24,003)	-	-	715	7	695	-	(93)	(2,195)	(24,874)
Loss of control over subsidiary	-	-	-	-	-	(114)	-	(6)	-	(120)
Transfer to assets classified as held for sale	-	-	(166)	-	-	3	-	-	(1)	(164)
Transfer from/(to) intangible assets, net	(2)	-	-	-	-	36	-	-	(1,005)	(971)
Transfers from/(to) inventories, net	-	(42)	-	(8)	(663)	1,064	-	(122)	332	561
Other transfers and reclassifications	19,102	(67)	14,020	7,196	746	26,675	-	2,564	(70,236)	-
Net book value at 31 March 2014	2,402,976	226,682	833,553	611,306	593,836	1,936,916	33,162	62,836	777,899	7,479,166
Cost	2,880,081	232,436	1,155,280	804,282	705,464	2,907,677	70,415	129,312	799,244	9,684,191
Accumulated depreciation and impairment	(477,105)	(5,754)	(321,727)	(192,976)	(111,628)	(970,761)	(37,253)	(66,476)	(21,345)	(2,205,025)
Net book value at 31 March 2014	2,402,976	226,682	833,553	611,306	593,836	1,936,916	33,162	62,836	777,899	7,479,166
Cost	2,497,106	211,019	1,052,770	783,606	705,249	2,848,013	68,694	125,876	770,062	9,062,395
Accumulated depreciation and impairment	(429,398)	(5,867)	(284,768)	(182,107)	(105,712)	(919,899)	(34,975)	(63,671)	(17,764)	(2,044,161)
Net book value as at 31 December 2013 (audited)	2,067,708	205,152	768,002	601,499	599,537	1,928,114	33,719	62,205	752,298	7,018,234

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Movement of exploration and evaluation assets is presented as follows:

<i>In millions of Tenge</i>	Oil and gas assets	Mining assets	Total
Net book value at January 1, 2014 (audited)	200.344	4.808	205.152
Foreign currency translation	18.703	-	18.703
Additions	2.629	307	2.936
Transfer to inventory	-	(42)	(42)
Transfer to property, plant and equipment	(67)	-	(67)
Net book value as at March 31, 2014	221.609	5.073	226.682
Cost	227.363	5.073	232.436
Accumulated impairment	(5.754)	-	(5.754)
Net book value as at March 31, 2014	221.609	5.073	226.682

As at March 31, 2014, certain items of property, plant and equipment with net book value of KZT 1,746,476 million (December 31, 2013: KZT 1,395,600 million) were pledged as collateral for some of the Group's borrowings.

As at March 31, 2014, carrying amount of property, plant and equipment acquired under finance lease agreements, included in property, plant and equipment was KZT 116,676 million (December 31, 2013: KZT 118,348 million).

As at March 31, 2014, cost of fully amortised property, plant and equipment of the Group was KZT 518,843 million (December 31, 2013: KZT 494,378 million).

During the three months ended March 31, 2014, the Group capitalized borrowing costs in the amount of KZT 6.339 million (during the three months ended March 31, 2013: KZT 1,429 million).

In April 2014 the Group updated the estimates of the recoverable amount of Ozenmunaygas JSC. These estimates indicated that the carrying amount of Ozenmunaygas JSC assets exceeds its recoverable amount. For the three months ended March 31, 2014 the Group recognised impairment in the amount of KZT 27 billion, which primarily relates to the increase of employee benefit expenses and the increase of in export customs duty from 60 US Dollars per ton to 80 US Dollars per ton.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**5. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES**

Investments in joint ventures and associates are presented as follows:

<i>In millions of Tenge</i>	Principal activities	Place of business	31 March 2014		31 December 2012 (audited)	
			Carrying amount	Ownership	Carrying amount	Ownership
Joint ventures						
TengizchevrOil LLP	Development and production of oil and gas	Kazakhstan	343,252	20.00%	311,881	20.00%
Mangistau Investments B.V.	Development and production of oil and gas	Netherlands	211,192	50.00%	185,003	50.00%
Ekibastuz GRES-1 LLP (EGRES-1)	Electricity production	Kazakhstan	157,480	50.00%	153,122	50.00%
JV KazGerMunai LLP	Development and production of oil and gas	Kazakhstan	88,623	50.00%	69,047	50.00%
KazakhOil-Aktobe LLP	Development and production of oil and gas	Kazakhstan	87,357	50.00%	83,800	50.00%
KazRosgas LLP	Refining and sale of natural gas and refining products	Kazakhstan	66,419	50.00%	46,082	50.00%
Beineu-Shymkent Gas Pipeline LLP	Construction and operation of Beineu-Shymkent gas pipeline	Kazakhstan	57,631	50.00%	70,269	50.00%
Ekibastuz GRES-2 JSC (EGRES-2)	Electricity production	Kazakhstan	38,410	50.00%	38,662	50.00%
Kazakhstan Petrochemical Industries Inc. LLP	Construction of the first integrated gas and chemical complex	Kazakhstan	27,997	51.00%	28,057	51.00%
Forum Muider B. V.	Coal mining	Kazakhstan	27,711	50.00%	28,344	50.00%
Other			163,141		196,861	
Total joint ventures			1,269,213		1,211,128	
<i>In millions of Tenge</i>						
Associates						
Kaztsink LLP	Production and enrichment of ores, producing of refined metals	Kazakhstan	232,075	29.82%	199,877	29.82%
PetroKazakhstan Inc. (PKI)	Exploration, production and refining of oil and gas	Kazakhstan	108,824	33.00%	86,391	33.00%
Sekerbank T.A.S.	Bank activities	Turkey	89,386	33.69%	88,498	33.69%
SP KATKO LLP	Exploration, development, production and uranium processing	Kazakhstan	43,555	49.00%	42,757	49.00%
Other			92,390		88,598	
Total associates			566,230		506,121	
			1,835,443		1,717,249	

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)**
5. Investments in joint ventures and associates (continued)

Changes in investments in joint ventures and associates are presented as follows:

<i>In millions of Tenge</i>	For the three months ended 31 March 2014	
Balance at 1 January 2014 (audited)	1,717,249	
Share in profit of joint ventures and associates	95,869	
Other comprehensive income	89,458	
Dividends received	(65,071)	
Changes in dividends receivable	(3,565)	
Purchases	1,548	
Disposals	(45)	
Balance as at 31 March 2014	1,835,443	

6. LOANS TO CUSTOMERS

Loans to customers were presented as follows:

<i>In millions of Tenge</i>	31 March 2014	31 December 2013
Loans to large entities	752,089	719,762
Loans to individuals	345,434	331,358
Small and medium business lending	38,698	40,165
Net investment in finance leases	8,804	9,041
Other loans	4,211	4,117
Total borrowings	1,149,236	1,104,443
Less: Allowance for impairment	(254,219)	(207,560)
Loans to customers, net	895,017	896,883
Less: Current portion	(195,864)	(249,800)
Non-current portion	699,153	647,083

Movements in the customer loan impairment allowance were as follows for the three months ended 31 March 2014:

<i>In millions of Tenge</i>	
Allowance at 1 January 2014 (audited)	207,560
Charged, net	6,742
Foreign currency translation	39,456
Written off against the provision	461
Allowance as at 31 March 2014	254,219

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised as follows:

<i>In millions of Tenge</i>	31 March 2014	31 December 2013 (audited)
Bank deposits – Tenge	181.667	230.131
Bank deposits – US Dollars	231.775	171.099
Bank deposits – other currencies	11.238	15.610
Current accounts with banks - Tenge	264.713	196.814
Current accounts with banks – US Dollars	427.633	92.564
Current accounts with banks – other currencies	28.173	17.364
Cash on hand	16.315	13.900
Reverse repurchase agreements with other banks with initial maturity of three months or less	5.634	3.153
Cash in transit	1.949	359
	1.169.097	740.994

Time deposits with banks are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group. As of 31 March 2014 the weighted average interest rate for time deposits with banks and current accounts was 3.1% and 0.53%, respectively (31 December 2013: 3.72% and 1.18%).

Total amount of Group's cash balances on bank accounts include funds allocated from the State budget and National Fund for Government programs. As at 31 March 2014 these cash balances were accumulated on the accounts with the National Bank and amounted to KZT 94 billion (31 December 2013: KZT 85 billion), including:

- KZT 66 billion (31 December 2013: KZT 54 billion) of National Fund's amounts, received under Stabilization Plan and other State programs;
- KZT 2 billion (31 December 2013: KZT 2 billion) of amounts from the State budget received to provide financing of projects implemented by the Fund;
- KZT 26 billion (31 December 2013: KZT 29 billion) cash balance of the Fund required for its operating and investing activities.

8. EQUITY

8.1 Issue of shares

	Number of shares authorized and issued	Nominal value per share Tenge	Share capital In millions of Tenge
At 31 December 2013	3.481.602.341		4.484.676
Property contributions	5.658	1.200.359	6.791
At 31 March 2014	3.481.607.999		4.491.467

As at 31 March 2014 and 31 December 2013, all shares were fully paid.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Equity (continued)

8.2 Earnings/(loss) per share

<i>In millions of Tenge</i>	31 March 2014	31 March 2013
Profit attributable to the Shareholder from continuing operations	52,421	171,967
Net gain attributable to the Shareholder from discontinued operations	10,714	5,284
Net profit attributable to the Shareholder for basic earnings	63,135	177,251
Weighted average number of common shares for basic and diluted earnings/(loss) per share	3,481,602,530	3,481,526,139

8.3 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 as of the reporting date, calculated in accordance with the KASE rules.

<i>In millions of Tenge</i>	31 March 2014	31 December 2013 (audited)
Total assets	16,540.742	15,294.489
Intangible assets	(292.575)	(284.325)
Total liabilities	(8,745.496)	(7,787.897)
Net assets for common shares	7,502.671	7,222.267
Number of common shares	3,481,607,999	3,481,602,341
Book value per common share, Tenge	2.155	2.074

9. LOANS

Borrowings, including accrued interest, comprised the following:

<i>In millions of Tenge</i>	31 March 2014	31 December 2013 (audited)
Fixed interest rate borrowings	3,163.232	2,551.882
Weighted average interest rate	7,11%	6,98%
Floating interest rate borrowings	1,410.455	1,422.484
Weighted average interest rate	5,03%	4,38%
	4,573.687	3,974.366
Less: amounts due for settlement within 12 months	(912.381)	(607.839)
Amounts due for settlement after 12 months	3,661.305	3,366.527

<i>In millions of Tenge</i>	31 March 2014	31 December 2013 (audited)
US Dollar-denominated borrowings	3,873.627	3,327.141
Tenge-denominated borrowings	556.442	539.555
Other currency-denominated borrowings	143.618	107.670
	4,573.687	3,974.366

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. Loans (continued)

Credit facility of State China Development Bank

As part of the Credit facility of State China Development Bank in the first quarter of 2014, the Fund made a partial early repayment of loans to the State China Development Bank in the amount of USD 400 million (equivalent to KZT 61,904 million at the exchange rate as at the date of payment).

Other loans

On 13 March 2014 VTB Bank and KazTransGas JSC, subsidiary of NC KMG signed a credit facility agreement, under which USD 250 million was received (KZT 45,505 million at the exchange rate as at the date of receipt), the rate was Libor + 2.2%.

In 2012 Rompetrol Group N.V., a subsidiary of NC KMG signed a credit facility agreement for USD 450 million. During the three months ended 31 March 2014, Rompetrol Group N.V. made a partial repayment of the principal in the amount of USD 236,581 thousand (equivalent to KZT 40,268 million at the exchange rate as at the date of payment).

In 2013 the agreement was signed with the bank Natixis, Paris on granting the revolving credit facility in the amount of USD 100 million. The purpose of the credit facility is the financing of oil purchase for Pavlodar refinery. In 2013 under this credit facility was received KZT 30,690 million. In February 2014 the principal was partially repaid in the amount of KZT 18,454 million.

In 2010 and 2012, Atyrau Oil Refinery LLP (AOR), subsidiary of KMG RM signed a credit facility agreement with DBK in the amount of USD 1,316 million. This credit facility is used to finance the construction of the aromatic hydrocarbons production complex. During three months ended 31 March 2014, AOR received USD 98 million (equivalent to KZT 16,048 million at the date of receipt).

10. LOANS OF THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN

Loans of the Government of the Republic of Kazakhstan comprised:

<i>In millions of Tenge</i>	31 March 2014	31 December 2013 (audited)
Bonds purchased by the National Bank of the Republic of Kazakhstan using the funds of the National Fund	272.708	71.302
Loans from the National Bank of the Republic of Kazakhstan	185.943	130.878
Loans from the Government of the Republic of Kazakhstan	67.405	66.378
	526.056	268.558
Less: amounts due for settlement within 12 months	(126.265)	(71.342)
Amounts due for settlement after 12 months	399.791	197.216

In order to finance the acquisition of 50% partnership interest in Ekibastuz GRES-1 LLP and 100% partnership interest in Kazgidrotekhenenergo LLP, in January 2014 the Fund has placed 300,000,000 coupon bonds with a nominal value of KZT 1,000 per bond totalling KZT 300.000 million with maturity of 15 years and a coupon rate of 3% per annum, with effective rate of 6.68%. Bonds were repurchased by the National Bank of the Republic of Kazakhstan using the funds of the National Fund based on the trust management right. Discount on placement was KZT 100,000 million.

As at 31 March 2014 effective interest rates on loans range from 5.5% to 6.68% (31 December 2013: from 5.5% to 6.62% per a year).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. AMOUNTS DUE TO CUSTOMERS

Amounts due to customers comprised:

<i>In millions of Tenge</i>	31 March 2014	31 December 2013 (audited)
Time deposits, including	115.902	185.254
Legal entities	16.244	37.413
Individuals	99.658	147.841
Current accounts, including	56.237	53.848
Legal entities	27.726	24.407
Individuals	28.511	29.441
Guarantees and other restricted deposits, including:	2.348	2.813
Legal entities	1.078	1.259
Individuals	1.270	1.554
Total amounts due to customers	174.487	241.915
Less: Current portion	(90.724)	(230.763)
Non-current portion	83.763	11.152

Decrease in amounts due to customers by KZT 67,428 million as at 31 March 2014 is mainly due to outflow of deposits from Alliance Bank JSC as a result of devaluation and SMS-attack with the information about possible bankruptcy of Alliance Bank JSC.

12. REVENUE

Revenue comprised:

<i>In millions of Tenge</i>	For the three months ended 31 March 2014	For three months ended 31 March 2013 (restated)
Sale of oil products	471.757	208.583
Sale of crude oil	196.705	369.150
Carriage by rail	166.196	168.317
Sale of gas products	68.840	63.230
Oil and gas transportation	67.493	71.931
Sale of uranium products	62.921	40.614
Electrical facility	49.772	43.416
Telecommunication	45.328	42.495
Air carriage	32.905	29.714
Interest income	24.596	23.084
Transportation of electricity	23.382	19.147
Passenger transportation by rail	16.777	15.812
Postal services	6.235	5.967
Sale of medicine	-	24.548
Other income	81.465	74.441
Less: Sales taxes and commercial discounts	(76.298)	(55.247)
	1.238.072	1.145.202

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. COST OF SALES

Cost of sales and services rendered comprise:

<i>In millions of Tenge</i>	For the three months ended 31 March 2014	For three months ended 31 March 2013 (restated)
Materials and supplies	506.554	489.294
Payroll expenses	143.411	132.229
Depreciation, depletion and amortization	88.721	80.621
Production services	25.904	27.173
Mineral extraction tax	25.782	22.677
Repair and maintenance	17.862	13.818
Interest expenses	16.685	18.665
Lease	8.681	8.211
Other	53.983	33.312
	887.583	826.000

14. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprise:

<i>In millions of Tenge</i>	For the three months ended 31 March 2014	For three months ended 31 March 2013 (restated)
Payroll expenses	35.089	32.574
Sponsorship and charity	13.701	9.354
Taxes, other than income tax	9.228	13.292
Depreciation and amortization	6.508	6.287
Consulting services	3.366	1.959
Allowances for doubtful debt	3.154	1.218
Lease	1.540	1.553
Travel expenses	1.294	1.254
Fines and penalties	276	1.887
Other	9.029	11.305
	83.185	80.683

15. TRANSPORTATION AND SELLING EXPENSES

Transportation and selling expenses comprised:

<i>In millions of Tenge</i>	For the three months ended 31 March 2014	For three months ended 31 March 2013
Rent tax	41.205	41.242
Export customs duty	19.184	11.112
Transportation	12.872	13.300
Payroll expenses	5.210	4.126
Depreciation and amortization	3.033	3.037
Commissions to agents and advertising	1.632	2.005
Other	5.851	3.993
	88.987	78.815

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)
16. LOSS FROM IMPAIRMENT

Loss from impairment comprised:

<i>In millions of Tenge</i>	For the three months ended 31 March 2014	For three months ended 31 March 2013 (restated)
Impairment of property and equipment and intangible assets	24,862	57,058
Impairment of loans to customers	6,742	358
Other	(1,932)	(1,019)
	29,672	56,397

17. SHARE IN PROFIT OF JOINT VENTURES AND ASSOCIATES, NET

Share in profit of joint ventures and associates comprised the following:

<i>In millions of Tenge</i>	For the three months ended 31 March 2014	For the three months ended 31 March 2013 (restated)*
Tengizchevroil LLP	88,522	82,819
Mangistau Investments B.V.	24,949	17,454
Kazakhstan-Chinese Pipeline LLP	(12,344)	2,722
KazRosgas LLP	11,042	7,497
JV KazGerMunai LLP	10,885	13,459
PetroKazakhstan Inc.	8,108	9,794
Kaztsink LLP	(4,483)	2,436
Ekibastuz GRES-1 LLP (EGRES-1)	4,359	5,033
Kazakhoil-Aktobe LLP	3,557	2,909
Other	(38,726)	25,804
	95,869	169,927

18. FOREIGN EXCHANGE LOSS, NET

On 11 February 2014, the Kazakh Tenge was devalued to the US Dollar and other major currencies. The exchange rate before and after the devaluation was KZT 155.56 and KZT 184.50 to 1 US Dollar, respectively, which is close to the devaluation of Tenge by 19%.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. CONSOLIDATION

The following subsidiaries have been included in these interim condensed consolidated financial statements:

	31 March 2014	31 December 2013 (audited)
National Company "KazMunayGas" JSC ("NC KMG") and subsidiaries	100,00%	100,00%
National Company "Kazakhstan Temir Zholy" JSC ("NC KTZh") and subsidiaries	100,00%	100,00%
National Atomic Company "Kazatomprom" JSC ("NAC KAP") and subsidiaries	100,00%	100,00%
Kazakhtelecom JSC ("KTC") and subsidiaries	51,00%	51,00%
Samruk-Energy JSC ("Samruk-Energy") and subsidiaries	100,00%	100,00%
"Kazakhstan Electricity Grid Operating Company" JSC ("KEGOC") and subsidiaries	100,00%	100,00%
Air Astana JSC ("Air Astana")	51,00%	51,00%
BTA Bank JSC ("BTA Bank") and subsidiaries	97,26%	97,26%
Alliance Bank JSC ("Alliance Bank") and subsidiaries	67,00%	67,00%
KazPost JSC and subsidiaries	100,00%	100,00%
National Company "Kazakhstan Engineering" JSC ("Kazakhstan Engineering") and subsidiaries	100,00%	100,00%
Real Estate Fund "Samruk-Kazyna" JSC	100,00%	100,00%
"International Airport Aktobe" JSC	100,00%	100,00%
Samruk-Kazyna Contract LLP	100,00%	100,00%
JSC "National Mining Company "Tau-Ken Samruk" and subsidiaries	100,00%	100,00%
"Kazakh Research Institute named after Chokin" JSC	50%+1	50%+1
United Chemical Company LLP and subsidiaries (UCC)	100,00%	100,00%
Samruk-Kazyna Invest LLP	100,00%	100,00%
"KOREM" JSC	100,00%	100,00%
"International Airport Atyrau" JSC	100,00%	100,00%
"Airport Pavlodar" JSC	100,00%	100,00%
"Karagandagiproshakht i K" LLP	90,00%	90,00%
Temirbank JSC	79,88%	79,88%
SK Finance LLP	100,00%	100,00%
KGF SLP	100,00%	100,00%
KGF IM	100,00%	100,00%
KGF Management	100,00%	100,00%

20. SIGNIFICANT NON-CASH TRANSACTIONS

The following significant non-cash transactions during the three months ended March 31, 2014 have been excluded from the interim consolidated statement of cash flows:

1. Purchase of property, plant and equipment, which is not paid by the end of the reporting period in the total amount of KZT 23,863 million.
2. Contribution of the property to the charter capital of the Fund in the amount of KZT 6,792 million;
3. Capitalization of interest within the cost of property, plant and equipment totalling KZT 6,339 million (Note 4);

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)
21. RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions, which have been entered into with related parties during the three months ended March 31, 2014 and 2013 and the related balances as at March 31, 2014, and December 31, 2013, respectively:

<i>In millions of Tenge</i>		Associates	Joint ventures in which the Group is a venturer	Other entities controlled by the Government	Other related parties
	31 March 2014	4.247	23.986	8.930	
Due from related parties	31 December 2013	45.827	21.039	6.070	258 339
Due to related parties	31 March 2014	7.538	40.068	927	
	31 December 2013	9.268	46.231	932	– 2.436
Sale of goods and services	31 March 2014	10.644	53.199	14.313	510
	31 March 2013	7.757	33.137	3.759	415
Purchases of goods and services	31 March 2014	7.951	74.831	2.250	1
	31 March 2013	1.640	69.987	1.834	1
Other (expenses) / income	31 March 2014	106	867	(20.954)	–
	31 March 2013	(46)	961	(77)	–
Current accounts and deposits (liability)	31 March 2014	15	1.663	24.678	16
	31 December 2013	60	709	28.224	34
Current accounts and deposits (assets)	31 March 2014	7.638	–	270.873	–
	31 December 2013	6.530	–	198.369	–
Loans issued	31 March 2014	16.934	68.552	7.275	875
	31 December 2013	15.628	59.145	7.193	6.156
Loans received	31 March 2014	37	75	1.452.266	–
	31 December 2013	67	7	1.112.865	–
Other assets	31 March 2014	21.117	52.030	47.914	5
	31 December 2013	18.190	48.059	56.732	1.790
Other liabilities	31 March 2014	2.927	10.948	59.494	21
	31 December 2013	2.961	830	50.502	39
Interest received	31 March 2014	1.886	1.087	1.126	133
	31 March 2013	470	1.291	1.340	–
Interest accrued	31 March 2014	21	6	12.105	5
	31 March 2013	1	–	8.905	1

Total compensation to key management personnel included in payroll expenses in the accompanying interim consolidated statement of comprehensive income was KZT 2,382 million for three months ended 31 March 2014 (for the three months ended 31 March 2013: KZT 2,251 million). Compensation to key management personnel consists primarily of contractual salary and performance bonus based on operating results.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)**
22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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.

<i>In millions of Tenge</i>	Level 1	Level 2	Level 3	31 March 2014
Categories of financial instruments				
Assets				
Financial assets available-for-sale	57.107	13.560	726	71.393
Financial assets at fair value through profit or loss	-	4.892	-	4.892
Derivative financial assets	-	38.041	-	38.041
Liabilities				
Derivative financial liabilities	-	203	-	203

<i>In millions of Tenge</i>	Level 1	Level 2	Level 3	31 December 2013 (audited)
Categories of financial instruments				
Assets				
Financial assets available-for-sale	50.639	13.636	726	65.001
Financial assets at fair value through profit or loss	-	8.114	-	8.114
Derivative financial assets	-	46.427	-	46.427
Liabilities				
Derivative financial liabilities	-	527	-	527

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

23. FINANCIAL COMMITMENTS AND CONTINGENCIES

As at 31 March 2014 there were no significant changes in commitments and contingencies disclosed in the annual consolidated financial statements of the Group as at 31 December 2013, apart from the following:

Capital commitments*NC KTZh*

As at 31 March 2014 NC KTZh had commitments to build railroad lines “Zhezkazgan-Beineu” and “Arkalyk-Shubarkol”, multifunctional ice palace in Astana city, primary main transport network, to develop the railroad hub “Astana station” and build the railroad station facilities, to purchase cargo and passenger electrics, cargo and passenger cars, mainline locomotives totalling KZT 817,976 million (31 December 2013: KZT 567,979 million). Increase of liabilities for the first quarter of 2014 in the amount of KZT 249,997 million is mainly associated with commitments to develop the railroad junction “Astana station” including construction of the railroad station complex in the amount of KZT 101,980 million (31 December 2013: nil) as well as commitments to purchase locomotives from the joint venture “Lokomotiv kurastyru зауыты” JSC in the amount of KZT 95,763 million (31 December 2013: KZT 82,174 million) passenger carriages from the joint venture “Tulpar-Talgo” LLP in the amount of KZT 123,857 million (31 December 2013: KZT 21,139 million) to be supplied before 31 December 2014.

Intergas Central Asia (hereinafter, ICA, subsidiary of NC KMG)

Under the Concession Agreement with the Government of the Republic of Kazakhstan, ICA is committed to invest USD 30 million (KZT 5,461 million) annually to upgrade and repair the transferred gas and transportation assets and invest in new gas and transportation assets. As at 31 March 2014 ICA had contractual obligations relating to this capital commitment approximating to KZT 42,500 million (31 December 2013: KZT 72,701 million).

Other contractual commitments

As at 31 March 2014 other capital commitments of the Group under the contracts on acquisition of plant, property and equipment approximated to 61,239 million Tenge (December 31, 2013: KZT 81,552 million).

Tau-Ken Samruk

On 6 January 2014 Tau-Ken Altyn LLP, which is 100% subsidiary of Tau-Ken Samruk entered into an agreement with GMK Kazakhaltyn JSC to purchase alluvial, cathodic gold totalling KZT 23,261. As at 31 March 2014 Tau-Ken Samruk had contractual commitments amounting to KZT 20,157 million under the above agreement (as at 31 December 2013: nil).

Commitments to extend loans, guarantees, letters of credit and other commitments related to settlement operations

At any time the Group has outstanding commitments to extend credit. These commitments take the form of approved loans and credit card limits and overdraft facilities and are cancellable on certain conditions.

The Group provides financial guarantees and letters of credit to guarantee that clients' commitments to third parties will be met. These documents have fixed limits and are usually issued for 5 (five) years.

The contractual amounts of commitments are set out in the following table by category. The amounts reflected in the table for commitments assume that amounts are fully advanced. The amounts shown in the table of letters of credit represent the maximum accounting loss, which would be recognized at the reporting date if the counteragents were not in full compliance with their contractual obligations.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

COMMITMENTS AND CONTINGENCIES (continued)

Commitments to extend loans, guarantees, letters of credit and other commitments related to settlement operations (continued)

<i>In millions of Tenge</i>	31 March 2014	31 December 2012 (audited)
Contracted amount		
Loan, credit line and finance lease liabilities	115.690	136.225
Guarantees	463.993	405.920
Letters of credit and other commitments related to settlement operations	8.869	527
Less: Guarantees and restricted deposits	(6.884)	(7.921)
Less: Provision for bank letters of credit and guarantees	(1.201)	(806)

The Group uses the same credit control and management policies in undertaking off-balance sheet commitments as it does for on-balance operations.

The total outstanding contractual commitments to extend credit indicated above does not necessarily represent future cash requirements, as these commitments may expire or terminate without being funded. The Group could request collateral for credit instruments.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**24. SEGMENT REPORTING**

The following table represents information about profit and loss, and assets and liabilities of operating segments of the Group as at 31 March 2014 and for the three months then ended:

<i>In millions of Tenge</i>	Oil & gas	Mining	Transportation	Telecommunications	Energy	Financial institutions and development institutions	Corporate centre and projects	Elimination	Total
Income from sales to third party customers	790.499	80.854	224.073	51.544	64.974	16.188	9.940	-	1.238.072
Income from sales to other segments	15.948	5.235	3.803	1.629	5.762	11.651	8.996	(53.024)	-
Total revenue	806.447	86.089	227.876	53.173	70.736	27.839	18.936	(53.024)	1.238.072
Gross profit for the period	237.855	20.295	52.728	18.063	19.811	8.771	(2.561)	3.137	358.099
General and administrative expenses	(32.942)	(6.130)	(22.547)	(6.133)	(4.424)	(4.349)	(8.629)	1.969	(83.185)
Transportation and selling expenses	(86.161)	(1.092)	(1.198)	(821)	(61)	-	-	346	(88.987)
Finance costs	(52.552)	(2.750)	(11.405)	(1.654)	(5.967)	(385)	(3.557)	6.338	(71.932)
Finance income	12.502	3.811	1.366	1.022	1.200	1.013	12.759	(6.561)	27.112
Share of profit of joint ventures and associates	96.614	(6.277)	(768)	-	5.455	845	-	-	95.869
Foreign exchange (loss) / gain, net	72.789	(20.787)	(89.326)	(7.197)	(7.094)	(15.619)	10.645	1.171	(55.418)
Income tax expenses	(58.647)	(247)	12.392	(2.330)	134	(104)	(3.464)	-	(52.266)
Net loss for the period from discontinued operations	-	-	-	-	-	11.926	-	-	11.926
Profit (loss) for the period	165.178	(13.613)	(58.066)	1.258	9.294	7.398	(2.740)	8.718	102.631
Other segment information as at 31 March 2014									
Total segment assets	8.419.962	1.049.139	2.651.245	445.574	1.156.519	2.474.288	5.597.076	(5.253.161)	16.540.742
Total segment liabilities	4.080.973	307.122	1.323.660	167.475	594.537	2.285.780	1.800.935	(1.814.986)	8.745.496
Investments in joint ventures and associates	1.082.081	412.075	27.337	-	260.649	89.805	-	(36.504)	1.835.443

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**24. SEGMENT REPORTING (continued)**

The following table represents information about assets and liabilities of operating segments of the Group as at 31 December 2013 and profit and loss for the three months ended 31 March 2013:

<i>In millions of Tenge</i>	Financial							Total	
	Oil & gas	Mining	Transportation	Telecommunications	Energy	development institutions	Corporate centre and projects		
Income from sales to third party customers	713.520	58.999	219.283	48.579	55.729	14.378	34.714	-	1.145.202
Income from sales to other segments	11.754	6.708	4.077	1.250	4.653	19.728	12.204	(60.374)	-
Total revenue	725.274	65.707	223.360	49.829	60.382	34.106	46.918	(60.374)	1.145.202
Gross profit for the period	210.995	12.145	66.430	15.316	15.262	13.145	1.496	(8.305)	326.484
General and administrative expenses	(34.377)	(6.423)	(20.694)	(5.253)	(3.513)	(4.540)	(7.562)	1.679	(80.683)
Transportation and selling expenses	(75.469)	(1.088)	(1.284)	(1.000)	(125)	-	(522)	673	(78.815)
Finance costs	(42.182)	(1.885)	(9.883)	(2.469)	(2.375)	(225)	-	7.247	(51.772)
Finance income	8.361	1.944	1.305	1.440	1.275	836	9.351	(7.310)	17.202
Share of profit of joint ventures and associates	147.956	9.967	(256)	-	10.875	1.385	-	-	169.927
Foreign exchange (loss) / gain, net	(454)	(108)	204	(23)	738	3	8	33	401
Income tax expenses	(34.016)	(2.553)	(7.801)	(2.551)	(2.136)	(36)	(3.020)	-	(52.112)
Net income for the period from discontinued operations	(193)	-	(257)	-	50	6.349	-	261	6.210
Profit (loss) for the period	124.807	13.348	28.156	5.754	20.760	(12.624)	(7.224)	(1.911)	196.314
Other segment information as at 31 December 2013									
Total segment assets	7.594.320	963.298	2.636.642	465.341	889.587	2.415.389	5.380.531	(5.050.619)	15.294.489
Total segment liabilities	3.558.129	258.123	1.250.427	188.331	357.899	2.215.777	1.601.354	(1.642.143)	7.787.897
Investments in joint ventures and associates	998.490	382.328	26.690	-	257.328	88.918	-	(36.505)	1.717.249

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

25. SUBSEQUENT EVENTS**Changes in the structure of the Group**

In April 2014 Samruk-Energo JSC purchased 50% share of participation in Ekibastuz GRES-1 LLP and 100% share in Kazhydrotechenergo LLP from Kazakhmys Plc. The purchase price amounted to USD 1,300 million.

On 9 April 2014 KTZ Express JSC, subsidiary of NC KTZh JSC, and the Committee for State Property and Privatization of the Ministry of Finance of the Republic of Kazakhstan entered into an agreement for trust management of 100% state shareholdings of Airport Shymkent JSC and Airport Korkyt Ata JSC.

In May 2014 the Fund completed a transaction on sale of 79,88% of the total number of voting shares of Temirbank JSC and 16% of the total number of voting shares of Alliance Bank JSC.

Operating activities

In May 2014 KazMunayGas Exploration Production JSC, a subsidiary of NC KMG announced that a new oil deposit had been discovered at Rozhkovskoye field. The quantitative estimate of the reserves increase will be made based on the results of upcoming geological exploration works. The Company plans to start production at Rozhkovskoye field in 2017.

Contribution to the share capital

In April of 2014, the Shareholder contributed cash to the share capital of the Fund in the amount of KZT 54,500 million Tenge.