

“Sovereign Wealth Fund “Samruk-Kazyna” JSC

Interim condensed consolidated
financial statements (unaudited)

As at 30 September 2015 and for the nine months then ended

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Report on review of 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>	Note	30 September 2015 (unaudited)	31 December 2014 (audited)
Assets			
Non-current assets			
Property, plant and equipment	5	10,124,864	8,405,084
Intangible assets		362,238	334,289
Investments in joint ventures and associates	6	2,260,331	1,813,834
Loans issued	7	504,967	271,989
Amounts due from credit institutions	8	698,122	692,377
Deferred tax asset		146,074	102,436
Other non-current financial assets		176,338	180,317
Other non-current assets	9	684,306	605,071
		14,957,240	12,405,397
Current assets			
Inventories		386,087	355,515
VAT receivable		181,833	228,842
Income tax prepaid		75,696	74,560
Trade accounts receivable	10	389,253	314,749
Loans issued	7	101,714	458,473
Amounts due from credit institutions	8	1,414,554	1,146,227
Other current financial assets		20,465	26,358
Other current assets	10	312,132	244,762
Cash and cash equivalents	11	935,715	1,234,305
		3,817,449	4,083,791
Assets classified as held for sale	4	142,591	148,486
Total assets		18,917,280	16,637,674

INTERIM CONSOLIDATED BALANCE SHEET (continued)

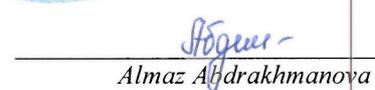
<i>In millions of tenge</i>	Note	30 September 2015 (unaudited)	31 December 2014 (audited)
Equity and liabilities			
Equity attributable to equity holder of the Parent			
Share capital	12	4,866,063	4,620,562
Revaluation reserve for available-for-sale investments		36,566	51,290
Currency translation reserve		707,026	486,162
Heging reserve		(33,801)	-
Other capital reserves		(14,947)	(14,689)
Retained earnings		2,866,639	2,224,315
		8,427,546	7,367,640
Non-controlling interest		1,381,634	764,438
Total equity		9,809,180	8,132,078
Non-current liabilities			
Borrowings	13	5,109,169	4,329,026
Loans from the Government of the Republic of Kazakhstan		426,474	412,633
Finance lease liabilities		113,135	90,396
Provisions	14	261,978	229,447
Deferred tax liability		546,354	512,253
Employee benefit liability		68,886	61,125
Amounts due to customers		18	58
Other non-current liabilities	15	685,211	463,513
		7,211,225	6,098,451
Current liabilities			
Borrowings	13	740,293	1,313,236
Loans from the Government of the Republic of Kazakhstan		3,952	1,111
Finance lease liabilities		17,087	15,802
Provisions	14	201,838	153,429
Employee benefit liability		6,038	5,726
Income taxes payable		42,386	4,020
Trade and other payables		443,471	456,475
Amounts due to customers		23,524	20,628
Derivatives		1,027	2,156
Other current liabilities		376,689	373,647
		1,856,305	2,346,230
Liabilities associated with assets classified as held for sale	4	40,570	60,915
Total liabilities		9,108,100	8,505,596
Total equity and liabilities		18,917,280	16,637,674

Finance director – Member of the Management Board



Nurlan Rakhmetov

Chief accountant



Almaz Abdрахmanova

Notes on pages 9 through 36 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 nine months ended	
		30 September 2015 (unaudited)	30 September 2014* (unaudited)
Revenue	16	3,401,439	3,770,035
Government grants		19,576	22,063
		3,421,015	3,792,098
Cost of sales	17	(2,757,422)	(2,710,168)
Gross profit		663,593	1,081,930
General and administrative expenses	18	(263,245)	(266,641)
Transportation and selling expenses	19	(183,816)	(291,531)
Impairment loss	20	(22,867)	(91,492)
Gain on revaluation of a 50% stake in EGRES-1		–	74,798
Gain on disposal of subsidiaries		2,242	627
Operating profit		195,907	507,691
Finance income	21	115,196	90,850
Finance costs	22	(224,382)	(206,148)
Other income		33,148	68,761
Other loss		(22,998)	(80,472)
Share in profit of joint ventures and associates, net	23	102,183	368,113
Foreign exchange income/(loss), net	24	332,479	(45,840)
Profit before income tax		531,533	702,955
Income tax expenses		(135,818)	(180,837)
Net profit for the period from continuing operations		395,715	522,118
Loss from discontinued operations, net of tax		–	(6,667)
Net profit for the period		395,715	515,451
Net profit for the period attributable to:			
Equity holder of the Parent		322,149	458,709
Non-controlling interest		73,566	56,742
		395,715	515,451

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INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

<i>In millions of tenge</i>	Note	For the nine months ended	
		30 September 2015 (unaudited)	30 September 2014* (unaudited)
Other comprehensive income, net of tax			
<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		390,745	238,750
Unrealized (loss)/gain from revaluation of available-for-sale investments		(14,724)	39,443
Loss on cash flow hedging instruments		(42,268)	—
Reclassification of realized loss on available-for-sale investments to profit or loss		—	(22,695)
Other comprehensive income to be reclassified to profit or loss in subsequent periods		333,753	255,498
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of tax:</i>			
Actuarial gain/(loss) on defined benefit plans, net of tax		572	(1,024)
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		572	(1,024)
Other comprehensive income for the period, net of tax		334,325	254,474
Total comprehensive income for the period, net of tax		730,040	769,925
Total comprehensive income for the period, net of tax, attributable to:			
Equity holder of the Parent		539,804	705,819
Non-controlling interest		190,236	64,106
		730,040	769,925
Earnings per share			
Basic and diluted share in net profit for the period attributable to the equity holder (in tenge)			
	12.8	92.53	131.75
Earnings per share for continuing operations			
Basic and diluted share in net profit from continuing operations attributable for the equity holder (in tenge)			
	12.8	92.53	133.60

* Certain amounts shown in this column do not correspond to the interim condensed consolidated financial statements for the nine months ended 30 September 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 4,581 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
Nurlan Rakhmetov

Chief accountant

Almaz Abdрахmanova
Almaz Abdрахmanova

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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holder of the Parent							Total
	Share capital	Revaluation reserve for available-for-sale investments	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings	Non-controlling interest	
<i>In millions of tenge</i>								
Balance as at 31 December 2013 (audited)	4,484,676	25,302	272,655	–	(2,711)	1,947,379	779,291	7,506,592
Total comprehensive income for the period	–	14,659	223,858	–	9,486	457,816	64,106	769,925
Issue of shares	72,990	–	–	–	–	–	–	72,990
Discount on loans from the Government	–	–	–	–	–	12,363	–	12,363
Dividends	–	–	–	–	–	–	(58,680)	(58,680)
Acquisition of subsidiaries	–	–	–	–	–	–	423	423
Change in ownership interests of subsidiaries – acquisition by non-controlling interest	–	1,723	–	–	(11,843)	16,158	5,112	11,150
Change in ownership interests of subsidiaries – acquisition of non-controlling interest	–	(265)	–	–	11	(18,579)	497	(18,336)
Other distributions to the Shareholder	–	–	–	–	–	(51,749)	–	(51,749)
Other equity movements	–	–	–	–	(26)	(364)	382	(8)
Balance as at 30 September 2014 (unaudited)	4,557,666	41,419	496,513	–	(5,083)	2,363,024	791,131	8,244,670

Notes on pages 9 through 36 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

In millions of tenge	Attributable to equity holder of the Parent							Total
	Share capital	Revaluation reserve for available-for-sale investments	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings	Non-controlling interest	
Balance as at 31 December 2014 (audited)	4,620,562	51,290	486,162	-	(14,689)	2,224,315	764,438	8,132,078
Total comprehensive income for the period	-	(14,724)	265,679	(33,801)	-	322,650	190,236	730,040
Issue of shares	245,501	-	-	-	-	-	-	245,501
Discount on loans from the Government	-	-	-	-	-	8,432	-	8,432
Dividends	-	-	-	-	-	-	(21,307)	(21,307)
Other transactions with the Shareholder	-	-	-	-	-	(1,251)	-	(1,251)
Other distributions to the Shareholder	-	-	-	-	-	(20,948)	-	(20,948)
Disposal of subsidiaries	-	-	-	-	(8)	125	(13,870)	(13,753)
Change in ownership interests of subsidiaries – acquisition by non-controlling interest	-	-	(44,693)	-	(210)	332,753	462,150	750,000
Other equity movements	-	-	(122)	-	(40)	563	(13)	388
Balance as at 30 September 2015 (unaudited)	4,866,063	36,566	707,026	(33,801)	(14,947)	2,866,639	1,381,634	9,809,180



Finance director – Member of the Management Board

Nurlan Rakhmetov

Chief accountant

Almaz Abdyakhmanova

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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In millions of tenge</i>	Note	For the nine months ended 30 September 2015 (unaudited)	For the nine months ended 30 September 2014* (unaudited)
Cash flows from operating activities			
Profit before income tax from continuing operations		531,533	702,955
Loss before income tax from discontinued operations		–	2,277
Adjustments for:			
Depreciation, depletion and amortization	17, 18, 19	298,564	318,792
Share in profit of joint ventures and associates, net	23	(102,183)	(368,113)
Finance costs	22	224,382	206,148
Finance income	21	(115,196)	(90,850)
Impairment loss	20	22,867	91,492
Long-term employee benefits		10,526	7,549
Provision charges		67,522	39,807
Derivatives		4,639	37,817
Loss on disposal of property, plant and equipment and other long term assets, net		5,185	7,732
Allowance for doubtful debts	18	13,205	11,269
Gain on disposal of subsidiaries		(2,242)	(627)
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		–	(22,695)
Unrealized foreign exchange (gain)/loss		(223,565)	32,639
Other transactions		254	2,294
Cash flows from operating activities before working capital changes		735,491	903,688
Changes in loans issued		422,266	272,394
Changes in amounts due from credit institutions		20,246	103,129
Changes in other financial assets		(14,599)	29,913
Changes in inventories		(1,404)	(34,869)
Changes in VAT receivable		56,410	(21,124)
Changes in trade accounts receivable		(25,735)	66,259
Changes in other assets		(81,463)	(11,387)
Changes in borrowings and loans from the Government of the Republic of Kazakhstan		(338,126)	(75,376)
Changes in trade and other accounts payable		(42,273)	(65,679)
Changes in amounts due to customers		2,740	(61,371)
Changes in other liabilities		(13,303)	(47,427)
Cash generated by operating activities		720,250	1,058,150
Income taxes paid		(125,483)	(195,213)
Interest paid		(160,236)	(162,294)
Interest received		118,447	63,457
Net cash flows received from operating activities		552,978	764,100

Notes on pages 9 through 36 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 nine months ended 30 September 2015 (unaudited)	For the nine months ended 30 September 2014* (unaudited)
Cash flows from investing activities			
Withdrawal/(placement) of bank deposits, net		2,234	61,878
Acquisition of joint ventures and associates		(13,138)	(33,373)
Acquisition of subsidiaries, net of cash acquired		(7,734)	(236,602)
Proceeds from sale of subsidiaries		7,170	62,414
Purchase of property, plant and equipment		(696,268)	(646,129)
Purchase of intangible assets		(3,717)	(6,642)
Sale/(purchase) of other financial assets, net		–	4,044
Proceeds from sale of property, plant and equipment		2,143	7,206
Advances paid for non-current assets		(16,444)	(21,004)
Dividends received from joint ventures and associates	6	172,520	218,876
Issue of loans		(59,032)	(21,875)
Repayment of loans		30,825	6,046
Cash of subsidiaries reclassified to disposal group		–	(3,811)
Net cash flows used in investing activities		(581,441)	(608,972)
Cash flows from financing activities			
Proceeds from borrowings		594,391	636,592
Repayment of borrowings		(1,758,259)	(436,978)
Repayment of finance lease liabilities		(13,724)	(10,304)
Transactions with the Shareholder		(49,060)	(34,603)
Contributions to the share capital	12.1	118,910	54,918
Dividends paid to non-controlling interest of subsidiaries		(17,527)	(50,079)
Proceeds from sale of non-controlling interest	12.6	750,000	11,150
Acquisition of non-controlling interest		–	(18,824)
Net cash flows (used in) / received from financing activities		(375,269)	151,872
Net (decrease)/increase in cash and cash equivalents		(403,732)	307,000
Effects of exchange rate changes on cash and cash equivalents		105,142	88,450
Cash and cash equivalents, at the beginning of the period		1,234,305	740,994
Cash and cash equivalents, at the end of the period	11	935,715	1,136,444

* Certain amounts shown in this column do not correspond to the interim condensed consolidated financial statements for the six months ended 30 September 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 4,581 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 Abdрахmanova

Notes on pages 9 through 35 form an integral part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2015 and for the nine months then ended

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 optimise organisational 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 25* (the “Group”). Prior to 1 February 2012, the Fund’s activities were governed by the Law of the Republic of Kazakhstan “On National Welfare Fund” No. 134-4 dated 13 February 2009 and were aimed to assist in provision of stable development of the state economy, modernization and diversification of economy, and improvement of the Group companies’ efficiency. 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 30*):

- 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 and geological exploration.
- 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 authorised for issue by the Finance director – Member of the Management Board and Chief accountant of the Fund on 27 November 2015.

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements for the nine months ended 30 September 2015 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 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 nine months ended 30 September 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 (“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, except for hedging transaction.

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:

	30 September 2015	31 December 2014
US dollar	270.89	182.35
Euro	303.97	221.97
Russian rouble	4.13	3.17
CHF	278.29	184.64

The currency exchange rate of KASE as at 27 November 2015 was 307.20 tenge to 1 US dollar.

New and amended standards and interpretations

The accounting policies applied 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 2014, except for certain standards and amendments which are effective for annual periods beginning on or after 1 January 2015.

The nature and the impact of each new standard and amendment are described 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)**

2. BASIS OF PREPARATION (continued)

New and amended standards and interpretations (continued)

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

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 recognise 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. This amendment did not affect the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

Annual improvements 2010-2012 Cycle

These improvements are effective from 1 July 2014 and did not have a material impact on the Group. They include:

IFRS 2 Share-based Payments

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.

IFRS 3 Business Combinations

The amendment is applied prospectively 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).

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.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.

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.

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

2. BASIS OF PREPARATION (continued)

New and amended standards and interpretations (continued)

Annual improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 and did not have a material impact on the Group. They include:

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.

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).

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 six months 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.

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

<i>In millions of tenge</i>	At disposal date
Assets	
Property, plant and equipment	30,096
Inventories	13,318
Trade accounts receivable	22,075
Other assets	11,132
Cash and cash equivalents	4,218
Total assets	80,839
Liabilities	
Accounts payable	18,332
Borrowings	4,084
Deferred tax liabilities	2,365
Other liabilities	27,736
Total liabilities	52,517
Net assets	28,322

**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)

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

<i>In millions of tenge</i>	At disposal date
Consideration received, including cash	15,951
Disposed net assets	(28,322)
Disposed non-controlling interest	13,390
Gain on disposal	1,019

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

<i>In millions of tenge</i>	At disposal date
Cash and cash equivalents	10,032
Deferred consideration	5,919
Total consideration received	15,951

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

<i>In millions of tenge</i>	At disposal date
Cash and cash equivalents received	10,032
Less: disposed cash of the subsidiary	(4,218)
	5,814

Summary information

Assets classified as held for sale comprised the following:

<i>In millions of tenge</i>	Segment	30 September 2015 (unaudited)	31 December 2014 (audited)
Euro-Asia Air JSC	Oil and gas	23,947	23,624
Mangistau Electricity Distribution Company JSC	Energy	23,041	18,533
Tulpar-Talgo LLP	Transportation	16,386	11,174
East-Kazakhstan Regional Electricity Company JSC	Energy	15,493	13,026
Kazakh Institute of Oil and Gas JSC	Oil and gas	13,436	–
Aysir Turizm Ve Insaat A.S. (Turkey)	Oil and gas	11,091	9,974
Aktobe Thermal Power Station LLP	Energy	10,376	9,640
Kazakhstan railway-carriage repair plant	Transportation	7,828	7,991
Kamkor	Transportation	–	45,659
Other		20,993	8,865
		142,591	148,486

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

<i>In millions of tenge</i>	Segment	30 September 2015 (unaudited)	31 December 2014 (audited)
Mangistau Electricity Distribution Company JSC	Energy	9,966	9,377
Euro-Asia Air JSC	Oil and gas	9,947	9,061
Kazakhstan railway-carriage repair plant	Transportation	4,993	5,939
East-Kazakhstan Regional Electricity Company JSC	Energy	4,365	3,860
Aysir Turizm Ve Insaat A.S. (Turkey)	Oil and gas	3,329	2,502
Aktobe Thermal Power Station LLP	Energy	2,113	1,837
Kazakh Institute of Oil and Gas JSC	Oil and gas	1,709	–
Tulpar-Talgo LLP	Transportation	1,690	2,066
Kamkor	Transportation	–	25,264
Other		2,458	1,009
		40,570	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
Net book value at 1 January 2015 (audited)	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	1,079,892	58,056	158,394	27,537	153	24,103	(214)	2,871	7,901	1,358,693
Additions	112,415	22,994	1,734	3,845	32	43,091	7,053	3,753	492,657	687,574
Disposals	(4,502)	(66)	(4,034)	(5,150)	(95)	(34,493)	—	(3,271)	(3,088)	(54,699)
Depreciation charge	(29,497)	—	(50,972)	(32,287)	(17,362)	(144,598)	(6,925)	(9,572)	—	(291,213)
Depreciation and impairment on disposals	3,699	—	2,265	4,400	75	31,449	—	2,906	2,175	46,969
Impairment provision, net of reversal	2,044	—	—	(501)	43	(531)	—	(372)	(11,059)	(10,376)
Loss of control over subsidiaries	—	—	—	(81)	—	(16)	—	(4)	—	(101)
Transfer to assets classified as held for sale	(7)	(4,937)	(14)	(1,779)	—	(777)	—	(371)	(873)	(8,758)
Transfers from/(to) inventories, net	(20,734)	(465)	1,877	(109)	(196)	3,973	396	1,985	8,834	(4,439)
Transfer to intangible assets	(56)	—	7	—	—	—	—	(21)	(3,800)	(3,870)
Other transfers and reclassifications	64,883	(104)	29,445	48,225	2,305	82,429	5,677	3,854	(236,714)	—
Net book value at 30 September 2015 (unaudited)	3,539,115	316,685	1,141,814	754,234	615,927	2,416,780	38,832	66,900	1,234,577	10,124,864
Historical cost	4,349,144	326,130	1,687,887	1,024,510	756,854	3,604,605	60,735	134,904	1,288,692	13,233,461
Accumulated depreciation and impairment	(810,029)	(9,445)	(546,073)	(270,276)	(140,927)	(1,187,825)	(21,903)	(68,004)	(54,115)	(3,108,597)
Net book value at 30 September 2015 (unaudited)	3,539,115	316,685	1,141,814	754,234	615,927	2,416,780	38,832	66,900	1,234,577	10,124,864
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)
Net book value at 31 December 2014 (audited)	2,330,978	241,207	1,003,112	710,134	630,972	2,412,150	32,845	65,142	978,544	8,405,084

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

5. PROPERTY, PLANT AND EQUIPMENT (continued)

As at 30 September 2015 property, plant and equipment with net book value of 2,332,095 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 September 2015, the carrying amount of property, plant and equipment acquired under finance lease agreements was equal to 121,527 million tenge (as at 31 December 2014: 130,575 million tenge).

As at 30 September 2015, the cost of fully depreciated property, plant and equipment of the Group was equal to 594,752 million tenge (as at 31 December 2014: 543,765 million tenge).

For the nine months ended 30 September 2015 the Group capitalized borrowing costs at average capitalization rate of 5.7% in the amount of 16,153 million tenge (for the nine months ended 30 September 2014: at average capitalization rate of 7.3% in the amount 16,824 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 September 2015 (unaudited)		31 December 2014 (audited)	
			Carrying amount	Percentage ownership	Carrying amount	Percentage ownership
Joint ventures						
Tengizchevroil LLP	Oil and gas exploration and production	Kazakhstan	787,435	20.00%	501,119	20.00%
Mangistau Investments B.V.	Oil and gas exploration and production	Kazakhstan	208,111	50.00%	196,194	50.00%
Kazakhoil-Aktobe LLP	Oil and gas exploration and production	Kazakhstan	88,375	50.00%	85,878	50.00%
JV KazGerMunay LLP	Oil and gas exploration and production	Kazakhstan	85,476	50.00%	67,662	50.00%
KazRosGas LLP	Processing and sale of natural gas and refined products	Kazakhstan	74,384	50.00%	62,334	50.00%
Ural Group Limited BVI	Oil and gas exploration and production	Kazakhstan	59,308	50.00%	26,125	50.00%
Ekibastuzskaya GRES-2 JSC (“GRES-2”)	Electricity production	Kazakhstan	33,064	50.00%	42,291	50.00%
Kazakhstan Petrochemical Industries Inc, LLP	Construction of first integrated chemical complex	Kazakhstan	30,859	51.00%	27,868	51.00%
KLPE LLP	Construction of first integrated chemical complex	Kazakhstan	28,051	50.00%	–	–
Forum Muider B. V.	Electricity production	Kazakhstan	23,408	50.00%	26,050	50.00%
Valsera Holdings B.V.	Crude oil refining	Kazakhstan	20,789	50.00%	22,091	50.00%
Beineu-Shymkent Gas Pipeline LLP	Construction and operation of the Beineu-Shymkent gas pipeline	Kazakhstan	14,923	50.00%	66,885	50.00%
Other			86,611		105,582	
Total joint ventures			1,540,794		1,230,079	

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 September 2015 (unaudited)		31 December 2014 (audited)	
			Carrying amount	Percentage ownership	Carrying amount	Percentage ownership
Associates						
Kazzinc LLP	Mining and processing of metal ores, production of refined metals	Kazakhstan	333,834	29.82%	234,166	29.82%
PetroKazakhstan Inc. (“PKI”)	Exploration, production and processing of oil and gas	Kazakhstan	150,856	33.00%	117,103	33.00%
JV KATCO LLP	Exploration, production and processing of uranium	Kazakhstan	46,833	49.00%	43,737	49.00%
Sekerbank T.A.S. Caspian Pipeline Consortium	Banking Transportation of crude oil	Turkey Kazakhstan/ Russia	47,479	19.37%	52,414	20.17%
JV Inkai LLP	Extraction, processing and export of uranium products	Kazakhstan	36,483	20.75%	22,654	20.75%
KLPE LLP	Construction of first integrated chemical complex	Kazakhstan	31,271	40.00%	18,884	40.00%
Other		Kazakhstan	–	–	24,687	50.00%
			72,781		70,110	
Total associates			719,537		583,755	
			2,260,331		1,813,834	

**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

Balance as at 1 January 2015 (audited)	1,813,834
Share in profit of joint ventures and associates, net (<i>Note 23</i>)	102,183
Dividends received	(172,520)
Change in dividends receivable	(8,763)
Acquisitions	13,846
Transfers to assets classified as held for sale	(249)
Foreign currency translation	498,678
Other comprehensive income, other than foreign currency translation	1,726
Impairment (<i>Note 20</i>)	(4,858)
Discount on loans issued	16,454
Balance as at 30 September 2015 (unaudited)	2,260,331

7. LOANS ISSUED

Loans issued comprised the following:

<i>In millions of tenge</i>	30 September 2015 (unaudited)	31 December 2014 (audited)
Loans to entities	600,748	725,598
Net investments in finance lease	22,936	16,103
Other loans	4,004	483
Total loans	627,688	742,184
Less: impairment allowance	(21,007)	(11,722)
Loans issued, net	606,681	730,462
Less: current portion	(101,714)	(458,473)
Non-current portion	504,967	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 12.1*).

8. AMOUNTS DUE FROM CREDIT INSTITUTIONS

Amounts due from credit institutions comprised the following:

<i>In millions of tenge</i>	30 September 2015 (unaudited)	31 December 2014 (audited)
Bank deposits	1,757,832	1,478,695
Loans to credit institutions	354,844	359,909
Amounts due from credit institutions, net	2,112,676	1,838,604
Less: current portion	(1,414,554)	(1,146,227)
Non-current portion	698,122	692,377

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

8. AMOUNTS DUE FROM CREDIT INSTITUTIONS (continued)

<i>In millions of tenge</i>	30 September 2015 (unaudited)	31 December 2014 (audited)
10 largest local banks	1,281,269	1,139,729
Other local credit institutions	232,044	285,215
International credit institutions	599,363	413,660
	2,112,676	1,838,604

<i>In millions of tenge</i>	30 September 2015 (unaudited)	31 December 2014 (audited)
Amounts due from credit institutions, denominated in US dollars	1,218,950	862,119
Amounts due from credit institutions, denominated in tenge	883,118	973,040
Amounts due from credit institutions, denominated in other currencies	10,608	3,445
	2,112,676	1,838,604

As at 30 September 2015 the weighted average interest rate on amounts due from credit institutions was 4.53% (31 December 2014: 5.15%).

9. OTHER NON-CURRENT ASSETS

Other non-current assets comprised the following:

<i>In millions of tenge</i>	30 September 2015 (unaudited)	31 December 2014 (audited)
Advances paid for non-current assets	308,859	286,358
Long-term VAT receivable	127,200	126,583
Long-term receivables	85,618	75,660
Asset held for the benefit of the Shareholder	37,841	23,851
Long-term inventories	36,824	8,717
Restricted cash	20,482	17,885
Deferred expenses	19,896	20,856
Residential properties	14,642	20,698
Assets for sale to the Shareholder	12,906	12,906
Other	48,704	39,436
Less: impairment allowance	(28,666)	(27,879)
	684,306	605,071

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

10. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

Trade accounts receivable comprised the following:

<i>In millions of tenge</i>	30 September 2015 (unaudited)	31 December 2014 (audited)
Trade accounts receivable	455,032	354,948
Less: allowance for doubtful debt	(65,779)	(40,199)
	389,253	314,749

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

10. TRADE RECEIVABLES AND OTHER CURRENT ASSETS (continued)

Other current assets comprised the following:

<i>In millions of tenge</i>	30 September 2015 (unaudited)	31 December 2014 (audited)
Advances paid and deferred expenses	98,094	75,836
Assets held for the Shareholder	86,629	85,420
Other accounts receivable	76,666	45,491
Other taxes prepaid	37,567	37,401
Restricted cash	13,112	7,597
Dividends receivable	10,506	3,702
Due from employees	4,759	4,875
Other	25,489	18,199
Less: allowance for impairment	(40,690)	(33,759)
	312,132	244,762

At 30 September 2015 the Group’s receivables in the amount of 96,246 million tenge were pledged under loan agreements (31 December 2014: 32,333 million tenge).

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following:

<i>In millions of tenge</i>	30 September 2015 (unaudited)	31 December 2014 (audited)
Bank deposits – tenge	195,962	229,167
Bank deposits – US dollars	158,321	559,049
Bank deposits – other currency	6,885	5,285
Current accounts with banks – tenge	279,350	267,300
Current accounts with banks – US dollars	244,837	148,609
Current accounts with banks – other currency	22,404	16,031
Cash on hand	5,682	3,308
Cash in transit	16,067	3,000
Reverse repurchase agreements with other banks with contractual maturity of three months or less	6,207	2,556
	935,715	1,234,305

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 September 2015 the weighted average interest rates for bank term deposits and current accounts were 5.55% and 0.93%, respectively (as at 31 December 2014: 3.42% and 0.66%).

12. EQUITY

12.1 Share capital

	Number of shares authorized and issued	Par value per share, in tenge	Share capital, in millions of tenge
Payment for shares			
As at 31 December 2014 (audited)	3,481,623,734		4,620,562
Cash contributions	9,827	11,619,075; 12,700,435; 20,648,187	118,910
Promissory note contribution	30,350	4,171,027	126,591
As at 30 September 2015 (unaudited)	3,481,663,911		4,866,063

As at 30 September 2015 and 31 December all issued shares were fully paid.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)****12. EQUITY (continued)****12.1 Share capital (continued)***Cash contributions*

During the nine months ended 30 September 2015 the Shareholder made a cash contribution of 118,910 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*).

12.2 Discount on loans from the Government

In July 2015 the Fund received below-market loans from the Ministry of Finance of the Republic of Kazakhstan. Discount at initial recognition of these liabilities in the amount of 6,454 million tenge was recognized as one-off gain in the consolidated statement of changes in equity.

The Joint plan of the Government and the National Bank of the Republic of Kazakhstan on providing funds to domestic producers and exporters in 2015-2016 years was approved by the Decree № 271 of the Government dated 23 April 2015 (“the Joint plan”). In accordance with this plan, during the nine months ended 30 September 2015 the Group attracted below-market loans from the Development Bank of Kazakhstan JSC in the amount of 5,000 million tenge to finance purchase of passenger railcars. Discount at initial recognition of these liabilities in the amount of 1,978 million tenge was recognized as one-off gain in the consolidated statement of changes in equity.

12.3 Dividends*Dividends attributable to non-controlling interest*

During the nine months ended 30 September 2015 the Group declared dividends in the amount of 11,066 million tenge, 4,643 million tenge and 3,110 million tenge to the holders of non-controlling interest in KazMunayGas Exploration Production JSC, Kaztransoil JSC and KazMunayGas NC JSC, respectively.

During the nine months ended 30 September 2015 dividends declared to other non-controlling interest were equal to 2,488 million tenge.

12.4 Other operations with Shareholder

For the nine months ended 30 September 2015 the Group recognized increase of provision on onerous obligation for the amount of 1,302 million tenge, related to unprofitability of construction of Special Economic Zone Chemical Park Taraz, as decrease of retained earnings. The amount of provision was determined as excess of investments in the project over its net recoverable amount.

Also, during the nine months ended 30 September 2015, the Group received other properties from the Shareholder, in the amount of 51 million tenge.

12.5 Other distributions to the Shareholder*Construction and transfer of fixed assets*

During the the nine months ended 30 September 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 nine months ended 30 September 2015 in accordance with the Shareholder’s resolution, the Group provided sponsorship in the total amount of 15,159 million tenge for financing various projects.

Other distributions

During the nine months ended 30 September 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 2,311 million tenge.

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

12. EQUITY (continued)

12.6 Change in ownership interests of subsidiaries – acquisition by non-controlling interest

KazMunayGas NC JSC

On 6 August 2015 the Fund sold 58,420,748 common shares which are 10% plus one share of the KMG to the National Bank of Republic of Kazakhstan at KASE. As a result of the transaction, the Group received 750,000 million tenge, non-controlling interest increased by 462,150 million tenge, and the difference in the amount of 287,850 was recognised in equity attributable to equity holder of the Parent.

12.7 Hedging reserve

Hedging reserves includes the effect of cash flow hedge accounting to record any fair value gains or losses on the instruments in a hedging reserve in respect of foreign currency revenue proceeds.

During the nine months ended 30 September 2015 the Group made a cash flow hedge to reduce the risk of changes in tenge equivalent of sales revenue, expressed in Swiss francs. Eurobonds maturing in 2019 and 2022 are hedging instruments. The hedged item is the revenue from transit traffic in Swiss francs. Loss on hedging attributable to equity holders of the Parent amounted to 24,989 million tenge.

The Group also hedges currency risk arising on the part of future revenues denominated in US dollars, by leasing liabilities denominated in the same currency. During the nine months ended 30 September 2015 a loss from revaluation of capital lease obligations in the amount of 17,279 million net of deferred tax in the amount of 4,320 million tenge, which is the effective portion of the hedge, including non-controlling interest in the amount of 8,467 million tenge was reflected in the consolidated statement of changes in equity.

12.8 Earnings per share

<i>In millions of tenge</i>	For the nine months ended 30 September 2015 (unaudited)	For the nine months ended 30 September 2014 (unaudited)
Profit attributable to equity holder from continuing operations	322,149	465,155
Net loss attributable to equity holder from discontinued operations	–	(6,446)
Net profit attributable to equity holder for basic earnings	322,149	458,709
Weighted average number of common shares for basic and diluted earnings per share	3,481,647,572	3,481,608,836

12.9 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>	30 September 2015 (unaudited)	31 December 2014 (audited)
Total assets	18,917,280	16,637,674
Less: intangible assets	(362,238)	(334,289)
Less: total liabilities	(9,108,100)	(8,505,596)
Net assets for common shares	9,446,942	7,797,789
Number of common shares	3,481,663,911	3,481,623,734
Book value per common share, tenge	2,713	2,240

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

13. BORROWINGS

<i>In millions of tenge</i>	30 September 2015 (unaudited)	31 December 2014 (audited)
Fixed interest rate borrowings	4,299,273	4,575,675
Weighted average interest rate	6.17%	6.51%
Variable interest rate borrowings	1,550,189	1,066,587
Weighted average interest rate	4.04%	3.56%
	5,849,462	5,642,262
Less: amounts due for settlement within 12 months	(740,293)	(1,313,236)
Amounts due for settlement after 12 months	5,109,169	4,329,026

<i>In millions of tenge</i>	30 September 2015 (unaudited)	31 December 2014 (audited)
US dollar-denominated borrowings	4,853,366	4,029,894
Tenge-denominated borrowings	742,835	1,413,127
Other currency-denominated borrowings	253,261	199,241
	5,849,462	5,642,262

Currency correction effect

Carrying amount of borrowings increased by 1,597,497 million tenge due to correction of tenge to US dollar in August 2015.

Credit facility of China State Development Bank

During the nine months ended 30 September 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).

Bonds repayment

In August 2015 the Fund redeemed bonds in the amount of 750,000 million tenge issued within the first bond program and acquired by BTA Bank JSC and Aliance Bank JSC in 2009.

During the nine months ended 30 September 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 nine months ended 30 September 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).

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

<i>In millions of tenge</i>	30 September 2015 (unaudited)	31 December 2014 (audited)
NC KMG and its subsidiaries	3,971,289	3,090,528
NC KTZh and its subsidiaries	992,867	689,327
Samruk-Energy and its subsidiaries	296,627	188,349
The Fund	156,668	1,306,118
NAC KAP and its subsidiaries	152,787	137,072
Other subsidiaries of the Fund	279,224	230,868
	5,849,462	5,642,262

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. PROVISIONS

<i>In millions of tenge</i>	Asset retirement obligations	Provision for environmental remediation	Provision for taxes	Provision for construction of social objects	Other	Total
Provision at 31 December 2014	130,988	42,199	15,718	160,931	33,040	382,876
Foreign currency translation	17,096	8,986	1,285	–	712	28,079
Change in estimate	(11,020)	(105)	(1,881)	2,476	(2,353)	(12,883)
Unwinding of discount	6,289	122	–	–	515	6,926
Provision for the year	15,165	1,522	52,940	–	22,367	91,994
Discontinued operations	–	–	–	–	–	–
Additions through business combinations	–	–	–	–	–	–
Use of provision	(620)	(1,740)	(12,563)	(7,180)	(6,885)	(28,988)
Reversal of unused amounts	(328)	(1,901)	–	–	(1,959)	(4,188)
Provision at 30 September 2015	157,570	49,083	55,499	156,227	45,437	463,816

Current portion and long-term portion are presented as follows:

<i>In millions of tenge</i>	Asset retirement obligations	Provision for environmental remediation	Provision for taxes	Provision for construction of social objects	Other	Total
Current portion	1,047	9,148	5,880	104,314	33,040	153,429
Long-term portion	129,941	33,051	9,838	56,617	–	229,447
Provision at 31 December 2014	130,988	42,199	15,718	160,931	33,040	382,876
Current portion	641	5,719	55,480	103,383	36,615	201,838
Long-term portion	156,929	43,364	19	52,844	8,822	261,978
Provision at 30 September 2015	157,570	49,083	55,499	156,227	45,437	463,816

15. OTHER LONG-TERM LIABILITIES

Payables for acquisition of interest in the North-Caspian Project

On 31 October 2008 all participants of the North-Caspian Project (“NCP”) signed an agreement according to which all project participants except for KMG Kashagan B.V., 100% subsidiary of the Group, agreed to partially sell their interest in this project on a proportional basis to increase the interest of KMG Kashagan B.V. in the NCP from 8.33% to 16.81% retrospectively from 1 January 2008. The acquisition cost was equal to 1.78 billion US dollars plus annual compound interest at LIBOR + 3%, which is capitalized with the principal amount on an annual basis. The liability is pledged by the additional 8.48% interest in the NCP acquired. As at 30 September 2014 the amortized cost of this payable was equal to 603,695 million tenge (31 December 2014: 396,345 million tenge).

The amount is payable in three equal annual installments after commercial oil production at Kashagan field starts. During the nine months ended 30 September 2014 the Group re-assessed the starting date of commercial production at Kashagan field and moved it from 30 September 2014 to the second half of 2016. As a result, part of the payable was reclassified back to non-current liabilities.

As of 30 September 2015 the carrying amount of this financial liability approximates its fair value.

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

16. REVENUE

Revenue comprised the following:

<i>In millions of tenge</i>	For the nine months ended 30 September 2015 (unaudited)	For the nine months ended 30 September 2014 (unaudited)
Sales of oil refined products	1,169,358	1,529,175
Sales of crude oil	573,765	549,923
Railway cargo transportation	448,808	536,247
Oil transportation	207,034	207,221
Sales of uranium products	183,099	153,221
Sales of gas products	171,757	169,270
Telecommunication services	159,164	142,117
Electricity complex	144,203	150,944
Air transportation	116,352	123,478
Electricity transmission services	64,580	54,978
Railway passenger transportation	55,603	59,912
Crude oil tolling services	51,337	51,771
Refined gold	36,276	13,830
Interest income	34,892	74,825
Drilling services	26,668	21,274
Postal services	22,497	20,335
Other revenue	203,878	207,516
Less: indirect taxes and commercial discounts	(267,832)	(296,002)
	3,401,439	3,770,035

17. COST OF SALES

Cost of sales comprised the following:

<i>In millions of tenge</i>	For the nine months ended 30 September 2015 (unaudited)	For the nine months ended 30 September 2014 (unaudited)
Materials and supplies	1,460,966	1,412,287
Personnel costs	486,394	481,143
Depreciation, depletion and amortization	268,143	288,897
Production services	105,263	106,054
Repair and maintenance	67,407	57,907
Interest expense	59,843	73,263
Mineral extraction tax	59,333	82,581
Taxes	31,644	19,178
Transportation services	30,055	28,639
Rent	24,892	28,129
Other	163,482	132,090
	2,757,422	2,710,168

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

18. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprised the following:

<i>In millions of tenge</i>	For the nine months ended 30 September 2015 (unaudited)	For the nine months ended 30 September 2014 (unaudited)
Personnel costs	106,464	110,753
Fines and penalties	26,672	(416)
Depreciation and amortization	19,688	19,571
Taxes other than income tax	19,209	28,003
Consulting services	13,899	14,697
Allowance for doubtful debts	13,205	11,269
Sponsorship and charitable donations	12,464	22,852
Rent	5,281	5,387
Business trips	3,767	4,518
Repair and maintenance	2,553	3,374
Other	40,043	46,633
	263,245	266,641

19. TRANSPORTATION AND SELLING EXPENSES

Transportation and selling expenses comprised the following:

<i>In millions of tenge</i>	For the nine months ended 30 September 2015 (unaudited)	For the nine months ended 30 September 2014 (unaudited)
Custom duties	54,498	65,832
Transportation	40,686	41,765
Rent tax	32,659	131,901
Personnel costs	14,540	17,528
Depreciation and amortization	9,987	9,454
Commission fees to agents and advertising	8,028	7,037
Other	23,418	18,014
	183,816	291,531

20. IMPAIRMENT LOSS

Impairment loss comprised the following:

<i>In millions of tenge</i>	For the nine months ended 30 September 2015 (unaudited)	For the nine months ended 30 September 2014 (unaudited)
Impairment of loans issued	9,241	26,803
Impairment of property, plant and equipment and intangible assets	6,376	31,214
Impairment of investments in joint ventures and associates	4,858	76
Impairment of goodwill	-	32,919
Other	2,392	480
	22,867	91,492

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

21. FINANCE INCOME

Finance income comprised:

<i>In millions of tenge</i>	For the nine months ended 30 September 2015 (unaudited)	For the nine months ended 30 September 2014 (unaudited)
Interest income on amounts due from credit institutions and cash and cash equivalents	69,739	62,476
Income from loans and financial assets	20,055	11,009
Unwinding of discount long-term receivables	7,838	3,707
Guarantee income	3,801	4,384
Other	13,763	9,274
	115,196	90,850

22. FINANCE COSTS

Finance costs comprised the following:

<i>In millions of tenge</i>	For the nine months ended 30 September 2015 (unaudited)	For the nine months ended 30 September 2014 (unaudited)
Interest on loans and debt securities issued	187,051	176,823
Unwinding of discount on provisions and other payables	7,601	3,429
Interest on finance lease liabilities	4,500	4,289
Other	25,230	21,607
	224,382	206,148

23. 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>	For the nine months ended 30 September 2015 (unaudited)	For the nine months ended 30 September 2014 (unaudited)
Tengizchevroil LLP	124,499	261,352
KazRosGas LLP	29,633	23,907
JV KATCO LLP	13,977	3,117
Mangistau Investments B.V.	11,916	59,543
JV KazGerMunay LLP	6,976	24,688
Karatau LLP	5,618	3,384
JV South Mining Chemical Company LLP	5,050	(1)
Ekibastuzskaya GRES-1 LLP (“EGRES-1”)	–	4,033
Asia Gas Pipeline LLP	–	(24,315)
Beineu – Shymkent Gas Pipeline LLP	(53,485)	(17,569)
Kazakhstan-China Pipeline LLP	(17,759)	(8,021)
PetroKazakhstan Inc.	(10,147)	22,013
Ekibastuzskaya GRES-2 JSC (“EGRES-2”)	(9,227)	289
Other	(4,868)	15,693
	102,183	368,113

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. NET FOREIGN EXCHANGE LOSS

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.

As a result, the exchange rates of tenge to US dollar and other major currencies were changed. The exchange rates before correction and as at 30 September 2015 were 188.35 tenge to 1 US dollar and 270.89 tenge to 1 US dollar, respectively, which led to significant foreign exchange gains and losses for the nine months ended 30 September 2015.

25. CONSOLIDATION

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

	30 September 2015 (unaudited)	31 December 2014 (audited)
1 National Company “KazMunayGas” JSC (“NC KMG”) and subsidiaries	90.00% – 1	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 Karagandagiproshant and K LLP	–	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%
25 “Aviation Company “Air Kazakhstan” JSC	53.65%	53.65%

26. SIGNIFICANT NON-CASH TRANSACTIONS

The following significant non-cash transactions have been excluded from the interim consolidated statement of cash flows for the nine months ended 30 September 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 12.1*);
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 1,338,257 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 22,205 million tenge;
4. Hedging of future cash flows against finance lease obligations and borrowings denominated in foreign currency in the amount of 46,588 million tenge.

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

27. RELATED PARTY DISCLOSURES

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

<i>In millions of tenge</i>		Associates	Joint ventures where the Group is a venturer	Other state-controlled entities	Other related parties
Due from related parties	30 September 2015	44,775	78,603	12,187	166
	31 December 2014	34,735	29,722	10,837	136
Due to related parties	30 September 2015	11,476	36,808	1,538	418
	31 December 2014	36,929	45,164	1,945	—
Sale of goods and services	30 September 2015	51,634	178,343	77,481	1,004
	30 September 2014	37,006	170,379	40,039	1,764
Purchases of goods and services	30 September 2015	61,770	138,186	8,089	177
	30 September 2014	72,636	167,357	6,230	1,622
Cash and cash equivalents and amounts due from credit institutions	30 September 2015	2,727	—	214,156	—
	31 December 2014	—	—	237,543	—
Loans issued	30 September 2015	185,617	147,344	155,665	15,000
	31 December 2014	49,723	148,513	112,467	7,543
Borrowings	30 September 2015	428	1,374	1,179,090	—
	31 December 2014	32,224	6	989,252	—
Other assets	30 September 2015	8,663	60,349	8,069	181
	31 December 2014	2,424	50,203	15,850	5
Other liabilities	30 September 2015	3,520	9,298	36,870	25
	31 December 2014	3,686	836	11,028	17
Interest received	30 September 2015	8,700	11,368	10,194	3,181
	31 December 2014	2,623	4,913	5,080	1,333
Interest accrued	30 September 2015	1,745	192	44,631	—
	30 September 2014	70	11	45,569	—
Other income/(losses)	30 September 2015	54,615	36,813	(48,548)	—
	30 September 2014	(142)	920	(4,185)	(92)

Total compensation to key management personnel included in personnel costs in the accompanying interim consolidated statement of comprehensive income was KZT 11,068 million for nine months ended 30 September 2015 (for nine months ended 30 September 2014: KZT 10,882 million). Compensation to key management personnel consists primarily of contractual salary and performance bonus based on operating results.

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

28. 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 September 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 September 2015 (unaudited)
Financial instruments category				
Assets				
Available-for-sale financial assets	51,375	100	989	52,464
Financial assets at fair value through profit and loss	–	122	8,888	9,010
Derivative financial assets	–	1,814	473	2,287
Liabilities				
Derivative financial liabilities	–	300	727	1,027

<i>In millions of tenge</i>	Level 1	Level 2	Level 3	31 December 2014 (audited)
Financial instruments category				
Assets				
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
Liabilities				
Derivative financial liabilities	–	2,156	–	2,156

<i>In millions of tenge</i>	Carrying amount	30 September 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)
Financial assets					
Amounts due from credit institutions	2,112,676	2,141,492	1,104,157	981,529	55,806
Financial liabilities					
Borrowings	5,730,389	5,350,073	3,155,787	1,918,584	275,702
Loans from the Government of the Republic of Kazakhstan	430,425	336,889	–	336,889	–

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

28. 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)
Financial assets					
Amounts due from credit institutions	1,838,604	1,806,337	897,699	862,997	45,641
Financial liabilities					
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	348,835	–	348,835	–

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

29. COMMITMENTS AND CONTINGENCIES

As at 30 September 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 September 2015 the Group’s share in the total disputed amounts of the non-recoverable costs is equal to 192,504 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 September 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	72,751	41,836
2016	97,019	45,806
2017	38,897	44,302
2018	32,914	43,418
2019-2025	156,177	315,799
Total	397,758	491,161

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

29. COMMITMENTS AND CONTINGENCIES (continued)

Capital commitments

NC KMG

As at 30 September 2015, NC KMG group had other capital commitments of approximately 825,000 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 September 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, the primary backbone transport communication net, purchase of cargo and passenger electric locomotives, cargo and passenger railcars and backbone locomotives totaling 576,944 million tenge (as at 31 December 2014: 555,846 million tenge).

Samruk-Energy JSC

As at 30 September 2015, capital commitments of Samruk-Energy JSC under the contracts on acquisition of plant, property and equipment were equal to 137,779 million tenge (as at 31 December 2014: 191,853 million tenge).

United Chemical Company LLP

As at 30 September 2015, capital commitments of United Chemical Company LLP under the contracts on acquisition of plant, property and equipment were equal to 126,958 million tenge (as at 31 December 2014: 31,750 million tenge).

Capital commitments of Samruk-Energy joint ventures

As at 30 September 2015 Samruk Energy group’s share in capital commitments of joint ventures (Forum Muider, EGRES-2) was equal to 41,737 million tenge (as at 31 December 2014: 14,931 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 September 2015 were equal to 75,789 million tenge (as at 31 December 2014: 101,028 million tenge), including the commitments to finance investment projects in the amount of 32,553 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 43,236 million tenge (as at 31 December 2014: 52,115 million tenge).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. SEGMENT REPORTING

The following table represents information about profit and loss, and assets and liabilities of operating segments of the Group as at 30 September 2015 and for the nine 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	2,025,923	294,443	644,239	181,680	217,796	4,513	32,845	–	3,401,439
Revenue from sales to other segments	35,921	17,226	11,396	3,051	23,570	31	62,864	(154,059)	–
Total revenue	2,061,844	311,669	655,635	184,731	241,366	4,544	95,709	(154,059)	3,401,439
Gross profit for the period	379,081	61,916	108,226	57,357	91,628	2,540	29,908	(67,063)	663,593
General and administrative expenses	(125,623)	(22,941)	(59,694)	(19,942)	(25,105)	(1,312)	(13,451)	4,823	(263,245)
Transportation and selling expenses	(167,026)	(3,475)	(4,422)	(4,261)	(8,837)	–	–	4,205	(183,816)
Finance income	49,970	12,072	4,614	3,202	4,679	3,102	43,228	(5,671)	115,196
Finance costs	(155,735)	(8,198)	(50,764)	(6,010)	(18,956)	(1,340)	(114)	16,735	(224,382)
Foreign exchange gain/(loss), net	295,125	3,162	(28,029)	392	16,341	–	43,661	1,827	332,479
Share in profits of joint ventures and associates	96,560	22,838	(10,079)	–	(8,135)	–	999	–	102,183
Income tax expenses	(154,316)	(2,475)	46,157	(8,038)	(7,078)	(568)	(9,500)	–	(135,818)
Net profit/(loss) for the period from continuing operations	211,815	56,319	8,684	24,855	43,912	2,457	90,683	(43,010)	395,715
Total net profit/(loss) for the period	211,815	56,319	8,684	24,855	43,912	2,457	90,683	(43,010)	395,715
Other segment information as at 30 September 2015									
Total assets of the segment	11,177,647	1,413,605	3,058,413	483,275	1,360,368	141,848	5,444,203	(4,162,079)	18,917,280
Total liabilities of the segment	5,830,648	371,066	1,800,166	171,330	736,866	107,716	681,876	(591,568)	9,108,100
Investments in joint ventures and associates	1,562,456	547,034	34,081	–	105,786	–	47,479	(36,505)	2,260,331

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. SEGMENT REPORTING (continued)

The following table represents information about assets and liabilities of operating segments of the Group as at 31 December 2014 and profit and loss for the nine months ended 30 September 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	2,368,692	229,818	745,520	161,201	186,017	44,700	34,087	–	3,770,035
Revenues from sales to other segments	34,270	16,704	12,288	4,340	25,097	4,740	156,916	(254,355)	–
Total revenue	2,402,962	246,522	757,808	165,541	211,114	49,440	191,003	(254,355)	3,770,035
Gross profit for the period	724,126	53,235	205,808	47,446	53,590	17,351	110,618	(130,244)	1,081,930
General and administrative expenses	(115,830)	(18,922)	(67,338)	(18,570)	(20,253)	(13,971)	(17,761)	6,004	(266,641)
Transportation and selling expenses	(281,748)	(3,490)	(4,379)	(3,349)	(1,526)	–	–	2,961	(291,531)
Finance income	43,262	6,903	7,348	2,995	4,585	2,971	39,136	(16,350)	90,850
Finance costs	(149,836)	(8,972)	(36,142)	(5,560)	(21,250)	(1,190)	(3,481)	20,283	(206,148)
Foreign exchange gain/(loss), net	71,321	(20,323)	(81,904)	(7,228)	(3,689)	(14,073)	10,384	(328)	(45,840)
Share in profits of joint ventures and associates	351,643	6,457	–	–	7,728	2,285	–	–	368,113
Income tax expenses	(144,451)	(3,038)	(8,337)	(6,446)	(8,672)	(305)	(9,588)	–	(180,837)
Net profit/(loss) for the period from continuing operations	468,312	11,220	17,780	10,294	55,232	(27,538)	102,177	(115,359)	522,118
Net profit/(loss) for the period from discontinued operations	–	–	–	–	–	(6,667)	–	–	(6,667)
Total net profit/(loss) for the period	468,312	11,220	17,780	10,294	55,232	(34,205)	102,177	(115,359)	515,451
Other segment information as at 31 December 2014									
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)****31. SUBSEQUENT EVENTS****Bonds**

On 20 October 2015 the Fund through the sale of bonds received from the National Bank of Kazakhstan cash of 2,700 million US dollars (equivalent to 751,631 million tenge as of the date of receipt) with term of maturity 20 years and 3% coupon rate. The funds were attracted to finance part of the acquisition of 50% stake in the oil project “Kashagan” by the Fund.

On 8 and 29 October 2015 KMG repaid coupon interest on Eurobonds of Citibank London. The amount of repayment was 39.844 million US dollars (equivalent to 10,898 million tenge at the date of payment), and 79.5 million US dollars (equivalent to 22,174 million tenge at the date of payment).

On 4 and 6 November 2015 KMG repaid coupon payment on Eurobonds of Citibank NA New York in the amount of 52.5 million US dollars (equivalent to 14,842 million tenge at the date of payment), and 30 million US dollars (equivalent to 8,968 million tenge on the payment date).

On 5 November 2015 NC KMG announced partial redemption of bonds for the total amount of 3,400 million US dollars (equivalent to 1,016,328 million tenge at the exchange rate as of the date of announcement), which were partially redeemed on 24 November 2015 in the amount of 2,200 million US dollars (equivalent to 675,686 million tenge at the exchange rate as of the date of payment). The remaining amount will be redeemed on 10 December 2015 upon the standard approval from by bondholders. The paying agent is Citi Bank London Branch.

23 November 2015 Intergas Central Asia (subsidiary of NC KMG) made an early redemption of Eurobonds in the amount of 281 million US dollars (equivalent to 86,326 million tenge at the exchange rate as the date of redemption). The paying agent is Citi Bank London Branch.

Borrowings

On 26 October 2015 a group of NAC Kazatomprom JSC received 12 billion tenge under corporate credit line from Kazkommertsbank JSC with term of 5 years and principal repayments will be made at the end of the period, the remuneration shall be paid quarterly at a fixed rate. The funds were used to refinance dollar loan to Citibank Kazakhstan JSC.

On 28 October 2015 the Fund signed an 5-year agreement on syndicated loan with The Bank of Tokyo Mitsubishi UFJ, Ltd. in the amount of 1.5 million US dollars (equivalent to 418,815 million tenge as of the date of signing). Under the agreement, there is a grace period on repayment of principal for 42 (forty-two) months from the date of signing the agreement. The loan was granted at the interest rate of 1.8% + six-month LIBOR. On 9 November 2015 the Fund received the first tranche in the amount of 1 billion US dollars (equivalent to 312,650 million tenge as of the date of receipt). Funding was raised to buy 50% stake KMG Kashagan.

On 6 and 11 November 2015 Samruk-Energy received loan totaling 10 billion tenge at the rate of 12% per annum for 5 years under the credit line dated 21 October 2015. The funds were used to repay the principal on the loan from ATF Bank JSC in the amount of 11,300 million tenge.

Changes in the structure of the Group (subsidiaries)

On 3 November 2015 Kazakhtelecom signed a deal with Tele2 Group to merge mobile operators “ALTEL” (brand ALTEL 4G) and “Mobile Telecom Service” LLP (brand Tele2). Assets of “ALTEL” are more than 25% of consolidated assets of the Kazakhtelecom. After the merge the Kazakhtelecom will receive a 51% share of the joint venture. The transaction will be completed after obtaining approvals from regulatory agencies.

Other transactions

On 21 October 2015 Tau-Ken Samruk signed a contract with the company Saucy Trading Limited for the supply of gold and silver for the refinery of Tau-Ken Altyn LLP (subsidiary company Tau-Ken Samruk) for the total estimated cost of 84 million US dollars (equivalent to 23,311 million tenge as at the date of detention), for the period to 31 December 2016.

Contributions to share capital

On 2 and 28 October 2015, the Shareholder made contributions of assets to the share capital of the Fund in the amount of 73 million tenge and 13,456 million tenge, respectively.

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

On 20 October 2015 the Shareholder made contribution to the share capital of the Fund through the transfer of 35% stake in the share capital of KazATC JSC in the amount of 3,725 million tenge.