

National Welfare Fund “Samruk-Kazyna” JSC

**Interim condensed consolidated
financial statements (unaudited)**

*as at March 31, 2013 and for the three months
then ended*

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Report on results of review of interim condensed consolidated financial statements

Interim condensed consolidated financial statements (unaudited)

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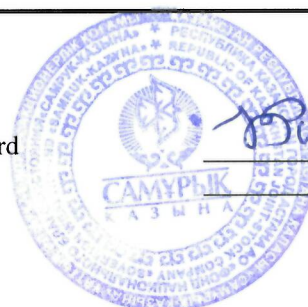
INTERIM CONSOLIDATED BALANCE SHEET

<i>(In millions of Tenge)</i>	Notes	March 31, 2013 (unaudited)	December 31, 2012 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	6,060,529	6,067,038
Intangible assets		338,167	358,228
Investments in joint ventures and associates	7	1,685,045	1,351,044
Loans to customers	8	1,188,117	1,386,384
Amounts due from credit institutions		188,175	267,751
Other non-current financial assets	9	224,200	464,934
Deferred tax asset		70,584	77,964
Other non-current assets		445,615	420,271
		10,200,433	10,393,614
Current assets			
Inventories		413,168	408,792
VAT recoverable		188,636	193,950
Income tax prepaid		93,567	77,948
Trade accounts receivable		348,609	342,257
Loans to customers		662,738	665,326
Amounts due from credit institutions		915,459	1,070,656
Other current financial assets	9	206,750	267,809
Other current assets		305,146	297,706
Cash and cash equivalents	10	1,223,917	1,465,548
		4,357,990	4,789,992
Assets classified as held for transfer to the Shareholder/for sale, and discontinued activities	5	989,534	51,521
TOTAL ASSETS		15,547,957	15,235,127

INTERIM CONSOLIDATED BALANCE SHEET (continued)

<i>(In millions of Tenge)</i>	Notes	March 31, 2013 (unaudited)	December 31, 2012 (audited)
EQUITY AND LIABILITIES			
Equity attributable to the shareholder of the Parent			
Charter capital	11	4,409,314	4,409,314
Revaluation reserve for available-for-sale investments		(30,084)	24,846
Currency translation reserve		223,322	219,712
Other capital reserves		15,604	15,828
Retained earnings		2,338,977	1,920,696
		6,957,133	6,590,396
Non-controlling interest		819,171	801,135
Total equity		7,776,305	7,391,531
Non-current liabilities			
Borrowings	12	2,834,426	3,517,546
Loans of the Government of the Republic of Kazakhstan		192,594	210,810
Finance lease liabilities		33,819	35,313
Provisions		131,734	136,312
Deferred tax liability		335,310	333,864
Employee benefit liability		46,627	45,940
Amounts due to customers	13	90,223	106,663
Derivatives		-	7,450
Other non-current liabilities		293,467	296,660
		3,958,200	4,690,558
Current liabilities			
Borrowings	12	585,007	679,075
Loans of the Government of the Republic of Kazakhstan		555,391	559,831
Finance lease liabilities		8,044	8,425
Provisions		139,427	124,202
Employee benefit liability		3,975	4,039
Income taxes payable		67,490	48,841
Trade and other payables		416,978	496,798
Amounts due to customers	13	639,066	636,058
Derivatives		1,155	888
Other current liabilities		561,363	574,564
		2,976,856	3,132,721
Liabilities associated with assets classified as held for transfer to the Shareholder/for sale, and discontinued activities	5	836,596	20,317
Total liabilities		7,771,652	7,843,596
TOTAL EQUITY AND LIABILITIES		15,547,957	15,235,127

Managing Director – Member of the Management Board



Nurlan Rakhmetov

Nurlan Rakhmetov

Chief Accountant

Almaz Abdrahmanova

Almaz Abdrahmanova

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(In millions of Tenge)</i>	Notes	For three months ended March 31, 2013 (unaudited)	For three months ended March 31, 2012 (unaudited)
Revenue	14	1,185,938	1,160,349
Government grants		7,282	7,118
		1,193,220	1,167,467
Cost of sales	15	(847,957)	(832,831)
Gross profit		345,263	334,636
General and administrative expenses	16	(92,706)	(86,915)
Transportation and selling expenses	17	(78,815)	(104,299)
Impairment loss	18	(57,506)	(20,273)
Other operating income		12,336	30,536
Other operating loss		(14,095)	(17,430)
Operating profit		114,477	136,255
Finance costs	20	(51,772)	(53,538)
Finance income	19	17,202	11,861
Share of income of associates and joint ventures	21	170,244	153,259
Net foreign exchange gain		610	3,716
Profit before income tax		250,761	251,553
Income tax expenses	22	(52,447)	(50,410)
Profit for the period from continuing operations		198,314	201,143
(Loss) / profit from discontinued operations	5	(2,430)	199,326
Profit for the period		195,884	400,469

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

<i>(In millions of Tenge)</i>	Notes	For three months ended March 31, 2013 (unaudited)	For three months ended March 31, 2012 (unaudited)
Other comprehensive income net of tax:			
Foreign currency translation		3,602	(5,239)
Unrealized (loss)/ profit from revaluation on available-for-sale financial assets		(55,683)	18,222
Net realized (loss) / gain on financial assets available-for-sale		(103)	371
Tax effect of components of other comprehensive income		-	(26)
Loss from hedging instruments		(254)	-
Total comprehensive (loss) / income for the period, net of tax		(52,438)	13,328
Profit attributable to:			
Equity holder of the parent		176,822	274,118
Non-controlling interest		19,062	126,351
		195,884	400,469
Total comprehensive income, net of tax, attributable to:			
Equity holder of the parent		125,249	286,828
Non-controlling interest		18,197	126,969
		143,446	411,389
Earnings per share:			
Basic and diluted share in profit for the period attributable equity holder of the parent, Tenge	11	50.79	78.75
Earnings per share from continuing operations:			
Basic and diluted share in profit from continuing operations attributable to the equity holder of the parent, Tenge	11	51.49	50.98

Managing Director – Member of the Management Board



Nurlan Rakhmetov

Chief Accountant

Almaz Abdrakhmanova

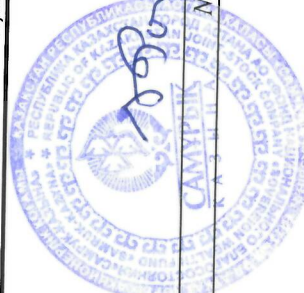
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the Shareholder of the Parent							Total	Non-controlling interest	Total
	Notes	Charter capital	Available-for-sale investments revaluation reserves	Currency translation reserve	Other capital reserves	Retained earnings	Total			
Balance as at December 31, 2011 (audited)		4,050,383	(106,997)	186,145	17,656	823,433	4,970,620	758,983	5,729,603	
Comprehensive loss for the period			17,711	(5,001)		274,118	286,828	126,969	413,797	
Issue of shares	11.1	12,771	-	-	-	-	12,771	-	12,771	
Dividends	11.3	-	-	-	-	(9,077)	(9,077)	-	(9,077)	
Recognition of share based payments		-	-	-	55	-	55	-	55	
Change in ownership interests of subsidiaries – acquisition of non-controlling interest		-	-	-	(412)	(346)	(758)	792	34	
Buy back of shares of a subsidiary from the market performed by a subsidiary		-	-	-	-	(3,528)	(3,528)	(3,735)	(7,263)	
Other distributions to the Shareholder	11.4	-	-	-	-	(474)	(474)	-	(474)	
Balance as at March 31, 2012 (unaudited)		4,063,154	(89,286)	181,144	17,299	1,084,126	5,256,437	883,009	6,139,446	

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Notes	Attributable to the Shareholder of the Parent						Non-controlling interest	Total
		Charter capital	investments revaluation reserves	sale Currency translation reserve	Other capital reserves	Retained earnings	Total		
Balance as at December 31, 2012 (audited)		4,409,314	24,846	219,712	15,828	1,920,696	6,590,396	801,135	7,391,531
Comprehensive loss for the period		-	(59,930)	3,610	(253)	176,822	125,249	18,197	143,446
Discount on bonds purchased by the National Bank of the Republic of Kazakhstan	11.2	-	-	-	-	249,828	249,828	-	249,828
Dividends	11.3	-	-	-	-	-	-	(55)	(55)
Recognition of share based payments		-	-	-	29	16	46	12	57
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	11.4	-	-	-	-	(7,910)	(7,910)	-	(7,910)
Balance as at March 31, 2013 (unaudited)		4,409,314	(30,084)	223,322	15,604	2,338,977	6,957,133	819,171	7,776,304

Managing Director – Member of the Management Board



Nurlan Rakhmetov

Chief Accountant

Almaz Abdrakhmanova

Almaz Abdrakhmanova

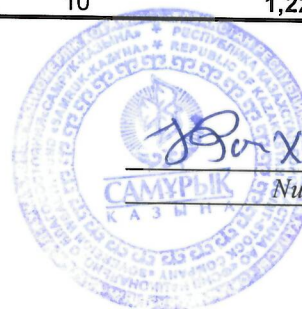
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(In millions of Tenge)</i>	Notes	For three months ended March 31, 2013 (unaudited)	For three months ended March 31, 2012 (unaudited)
Cash flows from operating activities:			
Profit from continuing operations before income tax		250,761	251,553
(Loss) / profit from discontinued operations before income tax		(2,430)	199,326
Adjustments for:			
Depreciation, depletion and amortization	1115,16,17	90,638	73,143
Share of income of associates and joint ventures	21	(170,244)	(153,259)
Gain on disposal of discontinued operations		-	(201,997)
Finance costs	20	51,772	53,538
Finance income	19	(17,202)	(11,861)
Impairment loss	18	57,506	20,273
Provision charges		9,286	4,039
Allowance for doubtful debts on trade accounts receivable and other current assets	16	1,309	1,276
(Gain) / loss on revaluation of financial assets designated at fair value through profit or loss		(743)	(5,761)
Unrealized loss on derivative financial instruments		7,050	5,527
Unrealized foreign exchange (gain) / loss		(1,984)	4,345
Other transactions		241	2,803
Cash flows from operating activities before working capital changes		275,960	242,945
Changes in other non-current assets		(4,629)	(8,650)
Changes in loans to clients		(23,382)	(48,638)
Changes in amounts due from credit institutions		(873)	(5,434)
Changes in other financial assets		11,464	1,784
Changes in inventories		(29,111)	(32,696)
Changes in VAT recoverable		5,315	4,189
Changes in trade accounts receivable		(13,889)	(29,630)
Changes in other current assets		(12,051)	(79,172)
Changes in borrowings and loans from the Government of the Republic of Kazakhstan		152,661	152,723
Changes in trade and other accounts payables		(39,390)	(11,802)
Changes in amounts due to the customers		(12,678)	(88,006)
Changes in derivative financial instruments		(936)	(3,290)
Changes in other liabilities		7,262	18,372
		315,723	112,695
Income tax paid		(57,679)	(44,148)
Interest paid		(25,669)	(24,460)
Interest received		10,735	7,080
Net cash flows from operating activities		243,110	51,167

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>(In millions of Tenge)</i>	Notes	For three months ended March 31, 2013 (unaudited)	For three months ended March 31, 2012 (unaudited)
Cash flows from investing activities:			
Placement of bank deposits, net		12,238	(124,068)
Acquisition of associates and joint ventures		(250,128)	(1,290)
Acquisition of subsidiaries, net of cash acquired		(9,805)	-
Purchase of property and equipment		(133,819)	(155,228)
Purchase of intangible assets		(1,896)	(1,414)
Purchase of financial assets, net		11,355	58,627
Proceeds from sale of property and equipment		1,171	2,057
Advances paid for non-current assets		(24,406)	(22,348)
Dividends received from joint ventures and associates	7	75,003	190,770
Proceeds from sale of associates and assets held for sale	5	-	225,739
Cash of subsidiaries being reclassified to disposal groups		(170,908)	-
Net cash flows (used in) / provided by investing activities		(491,195)	172,845
Cash flows from financing activities:			
Proceeds from borrowings		164,486	125,776
Repayment of borrowings		(148,651)	(168,449)
Repayment of finance lease liabilities		(2,245)	(2,219)
Transactions with the Shareholder		(6,332)	(8,450)
Dividends paid to non-controlling shareholders of subsidiaries		(55)	-
Buy back of own shares of subsidiaries		(120)	(7,263)
Acquisition of non-controlling interest		(485)	34
Net cash flows from/(used in) financing activities		6,598	(60,571)
Effect of exchange rates changes on cash and cash equivalents		(144)	(3,161)
Net (decrease)/increase in cash and cash equivalents		(241,631)	160,280
Cash and cash equivalents at the beginning of the period	10	1,465,548	1,646,615
Cash and cash equivalents at the end of the period	10	1,223,917	1,806,895

Managing Director – Member of the Management Board



Nurlan Rakhmetov
 Nurlan Rakhmetov

Chief Accountant

Almaz Abdrakhmanova
 Almaz Abdrakhmanova

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 conjunction 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 Government, represented by the State Assets and Privatization Committee of the Ministry of Finance is the sole shareholder of the Fund (the “Shareholder”).

The overall objective of the reorganization was to increase management efficiency and to optimise organisational structures in these companies in order to achieve successfully their strategic objectives set in the respective Government programs.

The Fund is a holding company combining state-owned enterprises listed in Note 23 (the “Group”). Prior to February 1, 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 Group companies’ efficiency. According to the Law of the Republic of Kazakhstan enacted on February 1, 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 Fund companies and by effective management of assets of the Fund’s 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 28*):

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

These consolidated financial statements were authorised for issue on May 29, 2013, by the Managing Director – Member of the Management Board and Chief Accountant of the Fund.

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

1. GENERAL (continued)**The plan of stabilization of economy and financial system**

In order to maintain stability of economic and financial system of the country during the world economic crisis the Government by Decree No. 1085 dated November 25, 2008 approved a Joint action plan of the Government of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan and the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on stabilization of the economy and financial system for 2009-2010 ("Stabilization Plan"). The Stabilization Plan provides certain measures aimed at the following:

- Stabilization of financial sector;
- Resolution of real estate market issues;
- Small and medium business support;
- Development of agricultural sector;
- Implementation of innovation, industrial and infrastructure projects;

The Fund is the principal operator for the Government in the implementation of the Stabilization Plan.

Under the financial sector stabilization measures of the Stabilization Plan the Fund in 2009 acquired a controlling interest in BTA Bank and Alliance Bank and acquired a significant stake in Halyk Bank of Kazakhstan JSC and Kazkommertsbank JSC. These measures were aimed to provide additional liquidity to the banks and ensure their solvency. In 2012 and 2011 the Fund sold common shares and part of preferred shares of Halyk Bank of Kazakhstan JSC.

In 2010, under BTA Bank's JSC ("BTA Bank") debt restructuring plan approved in March 2010, the Fund acquired newly issued shares of Temirbank JSC ("Temirbank"), a subsidiary of BTA Bank.

The Fund is not planning to keep its interest in BTA Bank, Alliance Bank, Temirbank, Halyk Bank of Kazakhstan JSC and Kazkommertsbank JSC in a long-term perspective.

In 2010, Alliance Bank, BTA Bank and Temirbank completed the process of restructuring their debts. The ability of Alliance Bank and Temirbank to continue as going concern entities largely depends on successful realization of new business models in accordance with restructuring conditions.

The ability of BTA Bank to continue as a going concern entity largely depends on successful realization of new business models in accordance with the conditions of the second restructuring of its debts completed in December 2012.

In accordance with a minutes of meeting with participation of the President of the Republic of Kazakhstan dated January 23, 2013 No. 01-7.1 "On results of social and economic development of Republic of Kazakhstan in 2012 and aims on realization of "Kazakhstan-2050" Strategy" the Government was assigned to create "National development agency" JSC, with 100% ownership by the Government, and the transfer to it the Fund's share in development institutions and financial institutions (Development Bank of Kazakhstan JSC, Kazyna Capital Management JSC, Export-Credit Insurance Corporation KazExportGarant JSC, "Entrepreneurship development Fund "Damu" JSC, "Investment Fund of Kazakhstan" JSC), including the transfer of SK-Pharmacy LLP to the Ministry of Health of the Republic of Kazakhstan.

In accordance with Decree of the Government of the Republic of Kazakhstan No. 206 dated March 4, 2013 the Fund is allowed to become a participant in Pension Fund "Halyk Bank" JSC, Pension Fund "Grantum" and Pension Fund "Ular Umit" in exchange of part of Fund's share in Kazkommertsbank JSC and BTA Bank JSC.

For the purpose of sale of Fund's share in BTA Bank JSC, Alliance Bank JSC and Temirbank JSC before December 31, 2013, in case the shareholders of banks refuse their privileged right of purchase of shares, the Fund is recommended to:

- take measures on disposal of shares of Alliance Bank JSC and Temirbank JSC to sole strategic investor;
- propose to Halyk Bank JSC to acquire remaining shares of BTA Bank JSC.

At the current moment, the procedures for preparation and agreement of documents related to the approval of regulatory legal acts on creation of "National development agency" JSC, transfer of SK-Pharmacy LLP and disposal of shares of banks' shares are under process.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements for the three months ended March 31, 2013 have been 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 annual consolidated financial statements of the Group for the year ended December 31, 2012.

Foreign currency translation

Functional and presentation currency

Items included in these interim condensed financial statements of each of the Group’s entities for the three months ended March 31, 2013 included in these interim condensed consolidated financial statements, are measured using the currency of 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 presentation 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 (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);
- 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 currency exchange rate to Tenge:

	March 31, 2013	December 31, 2012
USD	150.84	150.79
EUR	193.33	199.22
CHF	158.88	165.09
RUR	4.86	4.96
JPY	1.60	1.75

The currency exchange rate of KASE as at May 29, 2013 was 150.92 Tenge to 1 US Dollar.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

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 financial statements for the year ended December 31, 2012, except for the adoption of new Standards and Interpretations as at January 1, 2013, noted below:

- IAS 19 *Benefits to employees (as amended)*
- IAS 28 *Investments in Associates and Joint Ventures (as revised in 2011)*
- IFRS 10 *Consolidated financial statements, IAS 27 Separate financial statements*
- IFRS 11 *Joint Arrangements*
- IFRS 12 *Disclosure of Interests in Other Entities*
- IFRS 13 *Fair Value Measurement*
- IFRS 7 *Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7*
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*

The application of these new standards and amendments did not have any impact on the financial position or financial 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 caused by the requirements to conduct official open tenders during the first half-year and acquisition of goods and services during the second half-year.

4. ACQUISITIONS

Acquisition of interest in Kazzink

On February 1, 2013 the Fund acquired 29,8221% interest in the charter capital of Kazzink LLP in the amount of TENGE 248,837 million by acquiring 100% interest in the charter capital of Logic Business LLP, Logic Invest Capital LLP and Investment House Dana LLP holding 9,9407% interest in Kazzink LLP. The purchase was made using funds obtained from placement of coupon bonds in the amount of TENGE 255,000 million and repurchased by the National Bank of the Republic of Kazakhstan (*Note 11*). The maturity of bonds shall be 50 years, coupon interest of 0.01% shall be paid annually.

The interest in the charter capital of Kazzink LLP is recorded using the equity method in the interim condensed consolidated financial statements of the Group. Acquisition of Kazzink LLP was recorded in the interim condensed consolidated financial statements using the purchase method.

As at March 31, 2013 the Group has not finalized the measurement of fair value in acquired identifiable assets, liabilities and contingencies. The acquisition was recorded using preliminary amounts of fair value as at the date of acquisition.

Preliminary amounts of shares in fair value of identifiable assets, liabilities and initial carrying amount under IFRS as at the acquisition date were presented as follows:

<i>(In millions of Tenge)</i>	Preliminary fair value recognized upon acquisition	Current value
Total assets	266,529	266,529
Total liabilities	53,817	53,817

The consolidated net profit of the Group for the three months ended March 31, 2013 includes a share of income attributable to 29,8221% interest in net profit of Kazzink LLP from acquisition date till March 31, 2013 in the amount of TENGE 2,436 million. The current value of investment in Kazzink LLP amounted to TENGE 251,273 million as at March 31, 2013.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

For three months ended March 31, 2013

Transfer to the Shareholder of development institutes, financial organizations and SK-Pharmacy LLP.

In accordance with a minutes of meeting with participation of the President of the Republic of Kazakhstan dated January 23, 2013 No. 01-7.1 "On results of social and economic development of Republic of Kazakhstan in 2012 and aims on realization of "Kazakhstan-2050" Strategy" the Government was assigned to create "National development agency" JSC, with 100% ownership by the Government, and the transfer to it the Fund's share in development institutions and financial institutions (Development Bank of Kazakhstan JSC, Kazyna Capital Management JSC, Export-Credit Insurance Corporation KazExportGarant JSC, "Entrepreneurship development Fund "Damu" JSC, "Investment Fund of Kazakhstan" JSC), including the transfer of SK-Pharmacy LLP to the Ministry of Health of the Republic of Kazakhstan.

As at March 31, 2013 procedures related to preparation and agreement of documents associated with transfer of the above subsidiaries were carried out.

Development institutions and financial organizations

As at March 31, 2013, development institutions and financial organizations have been classified as disposal group held for transfer to the Shareholder and discontinued activities.

Performance results of development institutions and financial organizations for the three months ended 31 March 2013 and 2012 are presented as follows:

<i>(In millions of Tenge)</i>	For three months ended March 31, 2013	For three months ended March 31, 2012
Revenue	12,078	12,617
Cost of sales	(14,254)	(9,196)
Gross (loss) / profit	(2,176)	3,421
General and administrative expenses	(1,810)	(1,385)
Reversal/(loss) from impairment	894	(2,254)
Other operating income	1,839	1,499
Other operating loss	(949)	(1,041)
(Loss)/profit from operations	(2,202)	240
Foreign exchange gain, net	124	352
(Loss) / profit before tax from discontinued operations	(2,078)	592
Income tax expenses	(352)	(3,262)
Loss for the period from discontinued activities	(2,430)	(2,670)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

For three months ended March 31, 2013 (continued)

Transfer to the Shareholder of development institutes, financial organizations and SK-Pharmacy LLP (continued)

The core assets and liabilities of development institutions and financial organizations classified as disposal group held for transfer to the Shareholder as at March 31, are as follows:

<i>(In millions of Tenge)</i>	2013
Assets	
Loans to clients	227,145
Other financial assets	215,725
Amounts due from credit institutions	222,415
Income tax prepaid	7,108
Other non-current assets	14,731
Other current assets	19,745
Cash and cash equivalents	139,572
Assets classified as held for transfer to the Shareholder	846,441
Liabilities	
Borrowings	689,643
Loans of the Government of the Republic of Kazakhstan	27,695
Derivative financial instruments	7,575
Other non-current liabilities	10,049
Other current liabilities	9,529
Liabilities relating to assets classified as held for transfer to the Shareholder	744,491
Net assets relating to disposal group held for transfer to the Shareholder	101,950

Net cash flows of development institutions and financial organizations have been presented as follows:

<i>(In millions of Tenge)</i>	For the three months ended March 31, 2013	For three months ended March 31, 2012
Operating	(134,777)	(32,998)
Investment	(2,242)	(6,046)
Financial	63,078	(11,153)
Net cash outflows	(73,941)	(50,157)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED ACTIVITIES (continued)

For three months ended March 31, 2013 (continued)

SK-Pharmacy LLP

As at March 31, 2013 SK-Pharmacy LLP has been classified as disposal group held for transfer to the Shareholder.

The core assets and liabilities of SK-Pharmacy LLP classified as disposal group held for transfer to the Shareholder as at March 31 are as follows:

<i>In millions of Tenge</i>	2013
Assets	
Inventories	23,628
Amounts due from credit institutions	1,022
Income tax prepaid	104
Other assets	5,144
Cash and cash equivalents	25,241
Assets classified as held for transfer to the Shareholder	55,139
Liabilities	
Accounts payable	39,610
Other current liabilities	9,678
Liabilities relating to assets classified as held for transfer to the Shareholder	49,288
Net assets relating to disposal group held for transfer to the Shareholder	101,950

Profit for the three months ended March 31, 2013 from activities of SK-Pharmacy LLP amounted to TENGE 1,113 million.

Net cash flows of SK-Pharmacy LLP are presented as follows:

<i>In millions of Tenge</i>	For the three months ended 31 March 2013	For the three months ended 31 March 2012
Operating	19,670	10,680
Investment	-9	(6,003)
Net cash inflows	19,679	4,607

Doszhan Temir Zholy JSC

In connection with the fact that Investment Fund of Kazakhstan JSC owns 48,94% interest in Doszhan Temir Zholy JSC, disposal of Investment Fund of Kazakhstan JSC leads to loss of control over Doszhan Temir Zholy JSC. As at March 31, 2013 the Group classified Doszhan Temir Zholy JSC as disposal group classified for transfer to the Shareholder.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED ACTIVITIES (continued)

For three months ended March 31, 2013 (continued)

Doszhan Temir Zholy JSC (continued)

The core assets and liabilities of Doszhan Temir Zholy JSC classified as disposal group held for transfer to the Shareholder as at March 31, are as follows:

<i>In millions of Tenge</i>	2013
Assets	
Intangible assets	23,968
Property, plant and equipment	3,621
Other assets	459
Cash and cash equivalents	6,095
Assets classified as held for transfer to the Shareholder	34,143
Liabilities	
Borrowings	22,142
Other current liabilities	579
Liabilities relating to assets classified as held for transfer to the Shareholder	22,721
Net assets relating to disposal group held for transfer to the Shareholder	11,422

Loss for the three months ended March 31, 2013 from activities of Doszhan Temir Zholy JSC amounted to TENGE 1,189 million.

Net cash flows of Doszhan Temir Zholy JSC have been presented as follows:

<i>In millions of Tenge</i>	For three months ended March 31, 2013	For three months ended March 31, 2012
Operating	(639)	(543)
Investment	(14)	(6)
Net cash inflows	(625)	(437)

In April 2013, the Fund transferred 100% interest in Export-Credit Insurance Corporation KazExportGarant JSC, Kazyna Capital Management JSC, Investment Fund of Kazakhstan JSC, Development Bank of Kazakhstan JSC, "Entrepreneurship development Fund "Damu" JSC and SK-Pharmacy LLP to the Shareholder under the trust management agreements, which resulted in loss of control over subsidiaries.

For three months ended March 31, 2012

Discontinued operations

As at December 31, 2011, the Group had a 49% interest in GSM Kazakhstan LLP Kazakhtelecom JSC ("GSM Kazakhstan"), which is engaged in the provision of mobile telecommunication services in the GSM standard in Kazakhstan. GSM Kazakhstan is a private company, which is not listed on stock exchange.

On December 21, 2011, the Group concluded an agreement to sell its 49% ownership in GSM Kazakhstan to Sonera Holdings B.V., a subsidiary of Swedish mobile operator Telia Sonera AB.

On February 1, 2012, the Group completed the sale of 49% ownership in GSM Kazakhstan for the consideration of USD 1,519 million (equivalent to TENGE 225,739 million). As a result, the gain from disposal comprised of TENGE 200,034 million. The cash flows generated by the sale of a share of associate in 2012 were recorded in the investment activities in the interim consolidated statement of cash flows.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED ACTIVITIES (continued)

For three months ended March 31, 2012 (continued)

Discontinued operations (continued)

The movements in the investments in an associate were as follows:

In millions of Tenge

As at January 1	58,389
Share in net profit of associate	1,962
Dividends declared	(34,723)
Discontinued operations	(25,628)
As at March 31	-

Movement of dividends receivable is presented as follows:

In millions of Tenge

	2012 (unaudited)
As at January 1	-
Dividends declared	34,723
Cash received	(17,362)
As at March 31	17,361

Profit from discontinued activities is as follows:

<i>In millions of Tenge</i>	For the three months ended March 31, 2012 (unaudited)
Share of associate	1,962
Income from sale	200,034
Income tax expenses	-
Profit for the reporting period from discontinued activities	201,996

Income from sale

<i>In millions of Tenge</i>	For the three months ended March 31, 2012 (unaudited)
Cash received from Sonera Holdings B.V.	225,739
Net assets held for sale	(25,628)
Foreign exchange difference	(77)
Income from sale	200,034

6. PROPERTY, PLANT AND EQUIPMENT

Based on the evaluation of the recoverable amount of Ozenmunaygas JSC (subsidiary of NC KMG) performed by the management of the Group, impairment expenses in the amount of 75 billion Tenge were recognized in the consolidated financial statements for the year ended December 31, 2012. This evaluation was performed due to existence of impairment indicators. The main indicators were the level of production being materially lower than planned in the last two years and the increasing levels of operational and capital expenditures. The management of the Group updated the evaluation of the recoverable amount of Ozenmunaygas JSC as a result of which additional impairment expenses in the amount of 56 billion Tenge have been recognized in the condensed consolidated interim financial statements for the three months ended March 31, 2013. Additional impairment expenses relate mainly to increase of export customs duty from April 12, 2013 (Note 29). The results of the assessment are sensitive to assumptions related to production and pricing. If the production profile had been assumed to be 5% higher or lower than the assumed production profile used in the assessment, this would have had the effect of reducing impairment by more than 50 billion Tenge or increasing impairment by more than 50 billion Tenge, respectively. Assuming that Brent oil price quotations are higher or lower by 5% than those used in the evaluation, this results in reduction in impairment for more than 40 billion Tenge or increase in impairment for more than 40 billion Tenge, respectively.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Investments in joint ventures and associates are presented as follows:

<i>In millions of Tenge</i>	March 31, 2013 (unaudited)		December 31, 2012 (audited)	
	Carrying value	Ownership %	Carrying value	Ownership %
Joint ventures:				
TengizchevrOil LLP	277,616	20.00%	264,699	20.00%
Mangistau Investments B.V.	194,404	50.00%	176,949	50.00%
Ekibastuzskaya GRES-1 LLP ("GRES-1")	141,878	50.00%	136,845	50.00%
Kazakhoil-Aktobe LLP	74,994	50.00%	72,085	50.00%
Beineu-Shymkent Gas Pipeline LLP	72,306	50.00%	72,453	50.00%
KazRosGas JSC	70,975	50.00%	63,424	50.00%
JV KazGerMunay LLP	68,808	50.00%	55,316	50.00%
Ekibastuzskaya GRES-2 LLP ("GRES-2")	33,270	50.00%	29,646	50.00%
Forum Muider B. V.	30,222	50.00%	29,837	50.00%
Ural Group Limited BVI ("UGL")	19,995	50.00%	19,066	50.00%
Valsera Holdings B.V.	18,047	50.00%	18,511	50.00%
Kazakhstan Petrochemical Industries Inc. LLP	17,423	50.00%	17,444	51.00%
Kazakhstan-China Pipeline LLP	14,734	50.00%	12,012	50.00%
KazakhTurkMunay LLP	12,129	51.00%	11,278	51.00%
Asian Gas Pipeline LLP	11,476	50.00%	1,025	50.00%
Karatau LLP	3,408	50.00%	9,998	50.00%
Other	54,405		53,320	
Less: Impairment	(4,493)		(4,493)	
Total joint ventures	1,111,597		1,039,415	

<i>In millions of Tenge</i>	March 31, 2013 (unaudited)		December 31, 2012 (audited)	
	Carrying value	Ownership %	Carrying value	Ownership %
Associates:				
Kazzink LLP (Note 4)	250,959	29.82%	-	-
Sekerbank T.A.S.	95,255	33.88%	93,094	33.88%
PetroKazakhstan Inc. ("PKI")	91,030	33.00%	80,909	33.00%
JV KATKO LLP	40,943	49.00%	38,262	49.00%
BTA Bank (Ukraine)	29,878	49.99%	30,063	49.99%
AMT Bank (Russia)	19,053	22.26%	19,053	22.26%
Caspian Pipeline Consortium LLP	17,236	20.75%	17,275	20.75%
JV Inkai LLP	13,426	40.00%	12,171	40.00%
JV Betpak-Dala LLP	9,152	30.00%	15,263	30.00%
Other	63,345		62,368	
Less: Impairment	(56,829)		(56,829)	
Total associates	573,448		311,629	
	1,685,045		1,351,044	

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

<i>In millions of Tenge</i>	For three months ended March 31, 2013 (unaudited)
Balance as at January 1, 2013 (audited)	1,351,044
Share of income of associates and joint ventures	170,244
Dividends received	(75,003)
Change in dividends receivable	(12,933)
Acquisitions (Note 4)	250,174
Foreign currency translation	1,519
Balance as at March 31, 2013 (unaudited)	1,685,045

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. LOANS TO CUSTOMERS

Loans to clients were presented as follows:

<i>In millions of Tenge</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
Loans to large entities	1,720,699	2,049,953
Loans to individuals	724,208	718,670
Loans to small and medium business	297,217	292,957
Net investments in finance leases	33,714	56,888
Other loans	7,841	5,235
Total loans	2,783,679	3,123,703
Less: Impairment allowance	(932,824)	(1,071,993)
Loans to customers, net	1,850,855	2,051,710
Less: current portion	(662,738)	(665,326)
Non-current portion	1,188,117	1,386,384

Movements in the loan impairment allowance were as follows for the period ended March 31, 2013:

<i>In millions of Tenge</i>	For three months ended March 31, 2013 (unaudited)
Allowance at January 1, 2013 (audited)	1,071,993
Written off	(2,007)
Charged, net	1,492
Foreign currency translation	(2,361)
Discontinued operations	(136,293)
Allowance at March 31, 2013 (unaudited)	932,824

Loans to large entities

During the first quarter of 2013 the Group provided tranches to Kazakhmys Finance PLC in the amount of USD 200 million (equivalent to 30,168 million Tenge at exchange rate as at March 31, 2013) with maturity periods of 15 years. The annual interest rate on the loan equals to six-months LIBOR plus a 4.80% margin. These loans were provided for development of Zhomart copper field. The loans were financed by proceeds of the loan facility of State China Development Bank (Note 12).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. FINANCIAL ASSETS

Financial assets were presented as follows:

<i>In millions of Tenge</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
Note receivable from joint venture participant	18,869	18,222
Note receivable from associate participant	21,041	20,722
Available-for-sale financial assets	233,082	484,542
Equity securities	163,118	219,582
Bonds of Kazakhstan financial agencies	18,491	135,413
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	33,468	68,316
Corporate bonds	15,343	32,177
Bonds of international financial organizations	1,406	13,001
Other debt securities	3,690	24,056
Less: Impairment allowance	(2,434)	(8,003)
<i>including financial assets subject to repurchase agreements</i>	12,279	9,976
Held to maturity financial assets	35,849	51,302
Bonds of Kazakhstan financial agencies	27,748	42,596
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	8,101	8,182
Corporate bonds	-	524
Financial assets at fair value through profit and loss	13,902	37,256
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	13,550	19,111
Unquoted investments in venture capital organizations	-	12,917
Bonds of Kazakhstan financial agencies	189	3,266
Unquoted equity share investments	-	1,799
Corporate bonds	129	126
Other equity securities	34	37
Trading securities	65,074	70,421
Bonds of Kazakhstan financial agencies	21,019	20,997
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	11,629	13,444
Corporate bonds	5,712	9,422
Other equity securities	25,705	25,668
Other debt securities	1,009	890
Derivative financial instruments	43,133	50,278
Options	40,582	47,638
Currency swaps	1,779	2,113
Other	772	527
Total financial assets	430,950	732,743
Less: current portion	(206,750)	(267,809)
Non-current portion	224,200	464,934

As at March 31, 2013 the interest rates for available-for-sale financial assets, held to maturity financial assets and trading securities were in the ranges from 4.48% to 13%, from 0.93% to 15% and from 3.6% to 11%, respectively (December 31, 2012: from 2.3% to 13%, from 0.93% to 15% and from 3.6% to 11%).

Investments in Kazkommertsbank (financial assets available-for-sale)

Carrying amount of shares of Kazkommertsbank included in financial assets available-for-sale as at March 31, 2013 amounted to 32,077 million Tenge (as at December 31, 2012 : 24,828 million Tenge, respectively).

Equity securities (available for sale financial assets) – shares of Kazakhmys PLC

Fair value of equity securities of Kazakhmys PLC as at March 31, 2013 was determined based on published quotations on active market and amounted to 49,597 million Tenge (December 31, 2012: 111,925 million Tenge).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised:

<i>In millions of Tenge</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
Bank deposits – Tenge	202,076	240,462
Bank deposits – US dollars	198,588	123,752
Bank deposits – other currencies	8,874	9,393
Current accounts with banks - Tenge	533,910	609,529
Current accounts with banks – US Dollars	176,713	382,164
Current accounts with banks – other currencies	24,380	24,326
Cash on hand	64,522	61,474
Reverse repurchase agreements with other banks with contractual maturity of three months or less	9,642	14,051
Cash in transit	5,212	397
	1,223,917	1,465,548

Short term deposits are placed for varying periods of between one day and three months, depending on the immediate cash requirements of the Group. As of March 31, 2013 the weighted average interest rate for time deposits with banks and current accounts was 2.07% and 0.88%, respectively (December 31, 2012: 1.91% and 0.52%).

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 March 31, 2013 these cash balances were accumulated on the accounts with the National Bank and amounted to 152 billion Tenge (December 31, 2012: 395 billion Tenge), including:

- 128 billion Tenge (December 31, 2012: 247 billion Tenge) of National Fund's amounts, received under Stabilization Plan;
- 6 billion Tenge (December 31, 2012: 6 billion Tenge) of amounts from the State budget received to provide financing of projects implemented by the Fund;
- 18 billion Tenge (December 31, 2012: 142 billion Tenge) – the Fund's cash balance required for operating and investing activities.

11. EQUITY

Charter capital

	Number of shares authorized and issued	Nominal value per share Tenge	Share capital In millions of Tenge
At December 31, 2011 (audited)	3,480,637,455		4,050,383
Property contributions	127,710	100,000; 93,549; 90,092; 5,704	12,771
At March 31, 2012 (unaudited)	3,480,765,165		4,063,154
At December 31, 2012 (audited)	3,481,526,139		4,409,314
At March 31, 2013 (unaudited)	3,481,526,139		4,409,314

As at March 31, 2013 and December 31, 2012, shares were fully paid.

11.1 Issue of shares

In the first quarter of 2012 the Shareholder contributed property totalling 12,771 million Tenge to the Fund's charter capital according to the Regulation of the Government No.939 dated 14 September 2010 "On certain issues of government property".

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. EQUITY (continued)

11.2 Discount on bonds purchased by the National Bank of the Republic of Kazakhstan

In the first quarter of 2013 the Fund obtained borrowed funds from the Government to purchase a share in Kazzink LLP (Note 4) at below market rates. Discount at initial recognition of these liabilities at the amount of 249,828 million Tenge was recorded in the interim condensed consolidated statement of changes in equity.

11.3 Dividends

Dividends attributable to the shareholder of the Parent

On January 19, 2012, the Resolution of the Government No. 139 approved final order of distribution of the Fund's net income for 2010 at the amount of 9,077 million Tenge, according to which this amount was set off against prepayment on dividends.

11.4 Other distributions to the Shareholder

Construction and transfer of facilities

During the three months ended March 31, 2013 the Group increased provision for construction of Kazakhstan History Museum in Astana to the amount of 3,275 million Tenge (during three months ended March 31, 2012: nil), which were recorded in the interim condensed consolidated statement of changes in equity as distribution to Shareholder.

Sponsorships under the Shareholder's request

During the three months ended March 31, 2013 in accordance with the Shareholder's request, the Group provided sponsorship totalling to 4,635 million Tenge (during three months ended March 31, 2012: 474 million Tenge) for financing social, cultural and sporting activities were recorded in the interim condensed consolidated statement of changes in equity as distribution to Shareholder.

11.5 Earnings per share

<i>In millions of Tenge</i>	March 31, 2013 (unaudited)	March 31, 2012 (unaudited)
Profit from continuing operations attributable to ordinary equity holder of the parent	179,252	177,446
Net (loss) / profit from a discontinued operation attributable to ordinary equity holder of the parent	(2,430)	96,672
Net profit attributable to ordinary equity holder of the parent for basic earnings calculation	176,822	274,118
Weighted average number of ordinary shares for basic and diluted earnings per share	3,481,526,139	3,480,703,057

11.6 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>	March 31, 2013 (unaudited)	December, 31 2012 (audited)
Total assets	15,547,957	15,235,127
Intangible assets	(338,167)	(358,228)
Total liabilities	(7,771,656)	(7,843,596)
Net assets for ordinary shares	7,438,134	7,033,303
Number of ordinary shares	3,481,526,139	3,481,526,139
Book value per ordinary share, Tenge	2,136	2,020

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. BORROWINGS

Borrowings, including accrued interest, comprised the following:

<i>In millions of Tenge</i>	March 31, 2013 (unaudited)	December, 31 2012 (audited)
Fixed interest rate borrowings	2,395,469	3,046,187
Weighted average interest rate	7.59%	7.14%
Floating interest rate borrowings	1,023,963	1,150,434
Weighted average interest rate	2.22%	4.53%
	3,419,432	4,196,621
Less: amounts due for settlement within 12 months	(585,007)	(679,075)
Amounts due for settlement after 12 months	2,834,426	3,517,546

<i>In millions of Tenge</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
US Dollar-denominated borrowings	2,973,517	3,652,451
Tenge-denominated borrowings	361,454	439,585
Other currency-denominated borrowings	84,461	104,585
	3,419,432	4,196,621

On January 22, 2013 the Fund obtained a loan at the amount of USD 200 million (equivalent to 30,144 million Tenge as at the date of acquisition). The purpose of the loan is granting the loan to Kazakhmys Finance PLC for development of Zhomart copper deposit.

On November 23, 2009 the Fund entered into a credit agreement with Samruk-Energo JSC to the total amount of 45,300 million Tenge for the purpose to refinance a syndicated loan obtained to finance acquisition of 50% share in Forum Muider, which owns Bogatyr Komir LLP. The loan was issued from amounts obtained as a part of facility of State China Development Bank. On January 14, 2013 the Fund repaid a loan at the amount of 288 million US Dollars (equivalent to 43,462 million Tenge as at the date of repayment) to the State China Development Bank, the amount of paid interest is 7 million US Dollars (equivalent to 1,056 million Tenge as at the date of repayment).

On November 26, 2012 the Group's subsidiary, Locomotive JSC, concluded a loan agreement at the amount of 425 million US Dollars (equivalent to 64,064 million Tenge as at the date of conclusion) with Export-Import Bank of USA for purchase of 196 locomotive units. The interest rate on the loan is Commercial Interest Reference Rate (in US Dollars). In accordance with the terms of agreement, the funds are to be transferred by nine tranches, three of which were received in January 2013 of 311 million US dollars (equivalent to 46,902 million Tenge at the date of receipt) with a bank commission withheld of 32 million US Dollars (equivalent to 4,826 million Tenge as at the date of receipt).

The Group partially repaid the loan in the amount of 11,373 million Tenge received in June 2012 in order to purchase a share in Karachaganak project.

During 2012, Rompetrol, subsidiary of the Group entered into a loan agreement with four banks (JP Morgan, Citibank, Unicredit and RBS) for the total amount of 250 million US Dollars (equivalent to 37,278 million Tenge). As at December 31, 2012, liability with respect to the principal and interest accrued under this loan amounted to 38,040 million Tenge. As at March 31, 2013 Rompetrol repaid the loan in the amount of 8,571 million Tenge.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. AMOUNTS DUE TO CUSTOMERS

Amounts due to customers comprised:

<i>In millions of Tenge</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
Time deposits	522,256	533,946
Current accounts	192,458	196,271
Guarantees and other deposits with restrictive covenants	14,575	12,504
Total amounts due to customers	729,289	742,721
Less: Current portion	(639,066)	(636,058)
Non-current portion	90,223	106,663

14. REVENUE

Revenue comprised:

<i>In millions of Tenge</i>	For the three months ended March 31, 2013 (unaudited)	For three months ended March 31, 2012 (unaudited)
Sales of crude oil	369,150	191,041
Sales of refined products	208,583	444,061
Railway cargo transportation	168,317	156,379
Oil and gas transportation	71,931	58,441
Sales of gas products	63,230	59,502
Interest revenue	52,617	51,080
Electrical complex	43,416	33,363
Telecommunication services	42,495	40,383
Sales of uranium products	40,614	44,130
Air transportation	29,714	25,451
Sales of medicine	24,548	21,449
Electric energy transportation services	19,147	13,604
Railway passenger transportation	15,812	12,046
Postal services	5,967	5,220
Other revenue	85,644	61,931
Less: Sales taxes and commercial discounts	(55,247)	(57,733)
	1,185,938	1,160,349

15. COST OF SALES

Cost of sales and services rendered comprise:

<i>In millions of Tenge</i>	For the three months ended March 31, 2013 (unaudited)	For three months ended March 31, 2012 (unaudited)
Materials and supplies	489,294	491,797
Personnel costs	132,229	118,389
Depreciation, depletion and amortization	80,621	63,805
Interest expenses	35,896	53,744
Production services rendered	27,173	21,932
Mineral extraction tax	22,677	23,125
Repair and maintenance	13,818	12,740
Rent	8,211	10,814
Other	38,038	36,485
	847,957	832,831

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses:

<i>In millions of Tenge</i>	For three months ended March 31, 2013 (unaudited)	For three months ended March 31, 2012 (unaudited)
Personnel costs	38,206	38,321
Taxes, other than income tax	14,252	9,938
Sponsorship and charitable donations	9,354	9,273
Depreciation and amortization	6,980	5,904
Consulting services	3,786	3,137
Fines and penalties	1,924	410
Allowance for doubtful debts	1,309	1,276
Other	16,895	18,656
	92,706	86,915

17. TRANSPORTATION AND SELLING EXPENSES

Transportation and selling expenses comprised:

<i>In millions of Tenge</i>	For three months ended March 31, 2013 (unaudited)	For three months ended March 31, 2012 (unaudited)
Rent tax	52,686	43,625
Transportation	13,300	36,443
Custom duties	13	10,333
Personnel costs	4,126	3,747
Depreciation and amortization	3,037	3,434
Commission fees to agents and advertising	2,005	1,973
Other	3,648	4,745
	78,815	104,299

18. LOSS FROM IMPAIRMENT

Loss from impairment comprised:

<i>In millions of Tenge</i>	For three months ended March 31, 2013 (unaudited)	For three months ended March 31, 2012 (unaudited)
Impairment of property, plant and equipment and intangible assets (Note 6)	57,058	61
Impairment of loans to customers	1,492	19,229
Impairment /(reversal) of amounts due from credit institutions	53	(304)
(Reversal) /impairment of financial assets	(78)	121
Other	(1,019)	1,166
	57,506	20,273

19. FINANCE INCOME

Finance income comprised:

<i>In millions of Tenge</i>	For three months ended March 31, 2013 (unaudited)	For three months ended March 31, 2012 (unaudited)
Interest income on amounts due from credit institutions cash and cash equivalents	9,540	3,990
Income from loans and financial assets	4,212	5,871
Dividends income	1,268	825
Other	2,182	1,175
	17,202	11,861

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. FINANCE COSTS

Financial costs comprised:

<i>In millions of Tenge</i>	For three months ended March 31, 2013 (unaudited)	For three months ended March 31, 2012 (unaudited)
Interest on loans and debt securities issued	44,876	45,786
Unwinding of discount on provisions and other payables	1,117	1,951
Interest on finance lease obligations	959	704
Other	4,820	5,096
	51,772	53,538

21. SHARE OF INCOME OF ASSOCIATES AND JOINT VENTURES

Share of income of associates and joint ventures comprised the following:

<i>In millions of Tenge</i>	For three months ended March 31, 2013 (unaudited)	For three months ended March 31, 2012 (unaudited)
Tengizchevroil LLP	82,819	72,198
Mangistau Investments B.V.	17,454	20,287
PetroKazakhstan Inc.	9,794	13,500
JV KazGerMunay LLP	13,459	12,911
KazRosGas JSC	7,497	8,704
"Ekibastuzskaya GRES-1" LLP	5,033	5,882
Kazakhoil-Aktobe LLP	2,909	4,140
Asian Gas Pipeline LLP	10,451	-
Other	20,828	15,637
	170,244	153,259

22. INCOME TAX EXPENSE

Income tax expenses comprised:

<i>In millions of Tenge</i>	For three months ended March 31, 2013 (unaudited)	For three months ended March 31, 2012 (unaudited)
Current income tax expense		
Corporate Income Tax	35,415	30,020
Withholding tax	13,617	11,592
Excess Profit Tax	4,475	4,595
Deferred income tax expenses:		
Corporate Income Tax	(4,421)	3,901
Withholding tax	-	350
Excess Profit Tax	3,361	(48)
Income tax expenses	52,447	50,410

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. CONSOLIDATION

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

	March 31, 2013 (unaudited)	December 31, 2012 (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%	97.28%
Alliance Bank JSC ("Alliance Bank") and subsidiaries	67.00%	67.00%
Development Bank of Kazakhstan JSC ("DBK") and subsidiaries	100.00%	100.00%
"Entrepreneurship development Fund "Damu" JSC ("Damu Fund")	100.00%	100.00%
Kazyna Capital Management JSC and subsidiaries	100.00%	100.00%
Kazpost JSC	100.00%	100.00%
Doszhan Temir Zholy JSC	94.96%	94.96%
"Investment Fund of Kazakhstan" JSC	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%
Export-Credit Insurance Corporation KazExportGarant JSC	100.00%	100.00%
"International Airport Aktobe" JSC	100.00%	100.00%
Samruk-Kazyna Contract LLP	100.00%	100.00%
"SK Pharmacy" 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	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%	79.90%
KGF SLP	100.00%	100.00%
KGF IM	100.00%	100.00%
KGF Management	100.00%	100.00%
National Mining Company Kazgeology JSC	100.00%	100.00%
Samruk Kazyna Contract LLP	100.00%	100.00%
Logic Business LLP	100.00%	100.00%
Logic Invest Capital LLP	100.00%	-
Investment House Dana LLP	100.00%	-

24. SIGNIFICANT NON-CASH TRANSACTIONS

Non-cash transactions for three months ended March 31, 2013 including the following, have been excluded from the interim consolidated statement of cash flows:

- Discount on bonds purchased by the National Bank of the Republic of Kazakhstan (*Note 11.2*).
- Increase in provision for construction of Museum of Kazakhstan History (*Note 11.4*).
- Purchase of property, plant and equipment, which is not paid by the end of the reporting period in the amount of 4,675 million Tenge.
- Transfer of inventory to repay accounts payable in the amount of 4,132 million Tenge.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. RELATED PARTY TRANSACTIONS

The following tables provide the total amount of transactions, which have been entered into with related parties during the three months period ended March 31, 2013 and 2012 and the related balances as at March 31 2013 and December 31, 2012:

<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
Due from related parties	March 31, 2013	3,861	22,315	9,414	361
	December 31, 2012	60,684	16,352	5,054	199
Due to related parties	March 31, 2013	2,882	65,528	1,502	149
	December 31, 2012	22,924	52,693	1,710	101
Sale of goods and services	March 31, 2013	7,757	34,036	28,173	415
	March 31, 2012	6,524	29,619	24,888	652
Purchases of goods and services	March 31, 2013	1,640	70,947	1,804	9
	March 31, 2012	1,179	63,553	4,688	1
Current accounts and deposits (liability)	March 31, 2013	212	219	16,762	836
	December 31, 2012	290	19	13,209	624
Current accounts and deposits (assets)	March 31, 2013	4,638	–	272,065	–
	December 31, 2012	4,296	–	517,482	–
Loans given	March 31, 2013	14,779	61,944	19,631	12,026
	December 31, 2012	7,698	51,275	19,835	27,159
Loans received	March 31, 2013	123	–	791,759	–
	December 31, 2012	48	–	779,774	–
Other assets	March 31, 2013	1,121	42,795	136,473	79
	December 31, 2012	739	33,157	143,356	980
Other liabilities	March 31, 2013	343	3,887	29,428	8
	December 31, 2012	411	371	20,903	2
Interest received	March 31, 2013	470	1,366	2,145	3,847
	March 31, 2012	377	119	1,564	110
Interest accrued	March 31, 2013	1	–	9,100	2
	March 31, 2012	1	–	16,748	2

As at March 31, 2013 a number of Group loans in the amount of 69,065 million Tenge were guaranteed by the Government of the Republic of Kazakhstan (at December 31, 2012: 69,907 million Tenge).

Total compensation to key management personnel included in personnel costs in the accompanying interim consolidated statement of comprehensive income was 2,413 million Tenge for three months ended March 31, 2013 (three months ended March 31, 2012: 1,920 million Tenge). 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)

26. 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.

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments:

<i>In millions of Tenge</i>	Level 1	Level 2	Level 3	March 31, 2013 (unaudited)
Financial instruments category				
Available-for-sale financial assets	143,507	22,519	–	166,026
Financial assets at fair value through profit or loss	–	13,902	–	13,902
Trading securities	65,074	–	–	65,074
Derivative financial assets	2,562	40,571	–	43,133
Derivative financial liabilities	38	77	–	115

<i>In millions of Tenge</i>	Level 1	Level 2	Level 3	December 31, 2012 (audited)
Financial instruments category				
Available-for-sale financial assets	283,039	128,006	6,441	417,486
Financial assets at fair value through profit or loss	8,548	13,993	14,715	37,256
Trading securities	70,421	–	–	70,421
Derivative financial assets	527	49,719	32	50,278
Derivative financial liabilities	373	7,965	–	8,338

Reconciliation of the beginning balance and ending balance based on the Level 3 hierarchy of the fair value as at March 31, 2013 is presented as follows:

<i>In millions of Tenge</i>	Available-for-sale financial assets	Financial assets at fair value through profit or loss	Trading securities	Derivative financial assets	Total financial assets
As at January 1, 2013	6,441	14,715	–	32	21,188
Purchases	–	–	–	–	–
Sales	–	–	–	–	–
Repayment	–	–	–	–	–
Discontinued operations	(6,441)	(14,715)	–	(32)	(21,188)
Other	–	–	–	–	–
As at March 31, 2013	–	–	–	–	–

27. COMMITMENTS AND CONTINGENCIES

As at March 31, 2013 there were no significant changes in commitments and contingencies disclosed in the annual consolidated financial statements of the Group as at December 31, 2012, apart from the following:

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. COMMITMENTS AND CONTINGENCIES (continued)

Legal proceedings

BTA Bank

In 2009, the Bank was subject to a raiding action and, as a result, was assessed by the court to pay GBP 30,418,143. As part of enforcement of this decision, shares of CJSC "BTA Bank" (Kyrgyzstan), owned by the Bank were seized, which led to loss of control over CJSC "BTA Bank" (Kyrgyzstan).

In order to return the shares ownership, the Bank filed a claim to recognize the sale of shares as invalid, which should lead to re-registration of 71% interest in CJSC "BTA Bank" (Kyrgyzstan) in the Bank's favour.

The decision of Bishkek city court concerning the return of 71% share in the capital of BTA Bank CJSC (Kyrgyz Republic) to the Bank came into legal force. On January 15, 2013, Bishkek regional court sent to a registrar – «Registrum» LLC copies of judicial acts, according to which the legal title for the said package of shares shall be re-registered for Kazakhstan BTA Bank.

Ecological audit

On January 25, 2013 Ozenmunaygas JSC received a notification from the Mangistau Oblast Environmental Department on compensation to the state budget for environmental damage in the amount of 59,611 million Tenge for ecological damage. Total amount of the damage was based on the results of an inspection for the period from August 27, 2011 through November 12, 2012. On February 26, 2013 Ozenmunaygas JSC expressed disagreement with the above notification and filed an application to the Special Regional Mangistau Economic Court on recognition the act as illegal and calculation as unreliable. On March 7, 2013 Mangistau Oblast Environmental Department also filed a statement of claim on forced recovery of damage to the same court.

The management of the Group believes that Ozenmunaygas JSC has a strong position regarding this issue, as the inspection was carried out with crude violations of the laws of the RK with respect to the procedure of its performing and the Mangistau Oblast Environmental Department does not have credible evidences to support the fact of environmental damage, as required by code of civil procedure and the environmental code of the RK. The Group believes that it could successfully appeal the results of the inspection and request for payment of environmental damage and thus the Group did not accrue a provision associated with this notification as at March 31, 2013. (Note 29).

Commitments under subsurface use licenses and contracts

As at March 31, 2013 the Group had the following commitments on fulfillment of minimal work programs under the terms of licenses, product sharing agreements and subsurface use contracts with the Government (in millions of Tenge):

Year	Capital expenditures	Operating expenses
2013	201,061	46,502
2014	159,342	40,071
2015	8,288	37,326
2016	5,080	39,106
2017-2025	41,670	281,513
Total	415,441	444,518

Other contractual commitments

As at March 31, 2013 other contractual commitments of the Group on acquisition of property, plant and equipment amounted approximately to 26,091 million Tenge (at December 31, 2012: 36,426 million Tenge).

Capital commitments

Real Estate Fund "Samruk-Kazyna" JSC ("Real estate Fund")

As at March 31, 2013 the Real estate Fund had contractual commitments amounting to 29,456 million Tenge (at December 31, 2012: 16,013 million Tenge) under agreements with construction companies.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. COMMITMENTS AND CONTINGENCIES (continued)

Commitments to extend loans, 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 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.

<i>In millions of Tenge</i>	March 31, 2013	December 31, 2012
Contracted amount		
Loan, credit line and finance lease commitments	273,095	284,196

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, as well the Group could request collateral for credit instruments.

Commitments on repeated usage of anti-crisis funds

In accordance with the minutes No. 17-5/И-380 dated 5 April 2012 and the minutes No. 17-5/11-10 dated January 30, 2013 of the State committee on issues related to modernization of economy in the Republic of Kazakhstan, the Fund has to finance certain investment projects for the total amount of 312,235 million Tenge during 2012-2014. Taking into account disbursements as at March 31, 2013 and transfers between projects, the commitments of the Fund on disbursements in 2013 – 2014 amount to 212,841 million Tenge (at December 31, 2012: 415,324 million Tenge), including the following projects:

Financing of a housing construction program – implementation of the “Affordable housing” program

In accordance with the Decree No. 821 of the Government dated June 31, 2012, the Fund and the National Fund are to finance housing construction through Real Estate Fund “Samruk-Kazyna” JSC. As at March 31, 2013, the Fund’s commitments to finance the “Affordable housing-2020” program amounted to 36,200 million Tenge (December 31, 2012: 36,200 million Tenge).

Other investment projects of the Fund

As at March 31, 2013, the Fund’s commitments to finance the other investment projects amounted to 176,641 million Tenge (December 31, 2012: 379,124 million Tenge).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**28. SEGMENT REPORTING**

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

	Financial and Corporate							Elimination	Total
	Oil and gas	Mining and industrial	Transportation	Telecommunications	Energy	Institutions	centre and projects		
Revenues from sales to external customers	713,520	58,999	219,283	48,578	55,729	55,115	34,714	-	1,185,938
Revenues 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	49,828	60,382	74,843	46,918	(60,374)	1,185,938
Gross profit for the period	210,996	12,145	66,430	15,316	15,282	31,925	1,496	(8,307)	345,263
General and administrative expenses	(34,376)	(6,423)	(20,694)	(5,253)	(3,513)	(16,563)	(7,562)	1,678	(92,706)
Transportation and selling expenses	(75,470)	(1,088)	(1,284)	(1,000)	(125)	-	(522)	674	(78,815)
Finance income	8,361	1,944	1,305	1,440	1,275	836	9,351	(7,310)	17,202
Finance costs	(42,182)	(1,855)	(9,883)	(2,469)	(2,375)	(225)	-	7,247	(51,772)
Share of income in associates and joint ventures	147,956	9,967	(256)	-	10,875	1,702	-	-	170,244
Foreign exchange gain/(loss), net	(455)	(108)	204	(23)	738	212	8	34	610
Income tax expenses	(34,016)	(2,553)	(7,801)	(2,551)	(2,136)	(370)	(3,020)	-	(52,447)
Net profit for the period from continuing operations	124,999	13,348	28,412	5,754	20,710	14,915	(7,224)	(2,600)	198,314
Net profit for the period from discontinued operations	(193)	-	(256)	-	50	(2,291)	-	260	(2,430)
Profit (loss) for the period	124,806	13,348	28,156	5,754	20,760	12,624	(7,224)	(2,340)	195,884
<i>Other segment information as at 31 March 2013</i>									
Total assets of the segment	7,007,097	1,020,058	2,337,742	461,832	826,824	3,945,050	5,466,923	(5,517,569)	15,547,957
Total liabilities of the segment	3,287,964	303,408	1,125,978	169,981	320,730	3,067,060	1,632,295	(2,135,764)	7,771,652
Investments in joint ventures and associates	972,477	377,002	15,454	-	242,065	114,552	-	(36,505)	1,685,045

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**28. SEGMENT INFORMATION (continued)**

The following table represents information about assets and liabilities of operating segments of the Group as at December 31, 2012 and profit and loss for the three months ended March 31, 2012:

<i>In millions of Tenge</i>	Oil and gas	Mining and industrial	Transportation	Telecom-munications	Energy	Financial and Innovation Institutions	Corporate centre and projects	Elimination	Total
Revenues from sales to external customers	733,964	58,009	198,764	45,754	41,369	53,406	29,083	-	1,160,349
Revenues from sales to other segments	8,810	4,702	3,304	1,186	3,296	18,909	12,350	(52,557)	-
Total revenue	742,774	62,711	202,068	46,940	44,665	72,315	41,433	(52,557)	1,160,349
Gross profit for the period	234,654	9,253	56,076	18,471	11,824	9,852	(3,692)	(1,803)	334,636
General and administrative expenses	(32,976)	(5,983)	(19,468)	(5,317)	(3,325)	(16,986)	(4,502)	1,642	(86,915)
Transportation and selling expenses	(100,848)	(830)	(1,581)	(710)	(91)	-	(507)	268	(104,299)
Finance income	8,317	1,300	861	967	811	899	14,423	(15,717)	11,861
Finance costs	(46,896)	(3,290)	(6,607)	(2,140)	(1,461)	(179)	-	7,035	(53,538)
Share of income in associates and joint ventures	135,009	5,942	(22)	-	10,171	2,159	-	-	153,259
Foreign exchange gain/(loss), net	3,510	76	1,392	(1,108)	(140)	(31)	13	4	3,716
Income tax expenses	(35,316)	(1,163)	(7,509)	(2,129)	(802)	(316)	(3,175)	-	(50,410)
Net profit for the period from continuing operations	166,333	4,962	25,114	8,480	18,111	(10,498)	(3,233)	(8,126)	201,143
Net profit for the period from discontinued operations	-	-	-	201,996	-	(2,670)	-	-	199,326
Profit (loss) for the period	166,333	4,962	25,114	210,476	18,111	(13,168)	(3,233)	(8,126)	400,469
<i>Other segment information as at 31 December 2012</i>									
Total assets of the segment	6,881,891	765,076	2,192,972	465,384	827,000	4,024,405	5,290,564	(5,212,165)	15,235,127
Total liabilities of the segment	3,265,866	310,479	1,105,356	179,357	339,583	3,147,174	1,628,499	(2,132,718)	7,843,596
Investments in joint ventures and associates	894,097	132,421	15,479	-	232,908	112,644	-	(36,505)	1,351,044

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)

29. SUBSEQUENT EVENTS**Borrowings**

As at April 30, 2013 NC KMG issued Eurobonds in the amount of 1,000 million US Dollars (as at the date of issuance equivalent of 151,230 million Tenge) against 4.4% with maturity in 2023, and Eurobonds in the amount of 2,000 million US Dollars (as at the date of issuance equivalent of 302,460 million Tenge) against 5.75% with maturity in 2043. The subscription agreement was entered between KMG, KazMunaiGaz Finance Sub B.V., Barclays Bank PLC, Merrill Lynch International and Halyk Finance JSC.

In the first quarter of 2013, Pavlodar Refinery received loans for working capital replenishment issued by Halyk Bank Kazakhstan JSC in the total amount of 22,155 million Tenge.

In accordance with the preliminary agreement signed with HSBC bank on May 3, 2013, Air Astana received one Airbus A320 under finance lease agreement.

BTA Bank, court proceedings

In accordance with decision of the Commercial Court of Istanbul dated February 7, 2012 at the request of Türkiye Vakıflar Bankası TAO provisional arrest was imposed on 101,726,214 shares of Şekerbank TAŞ owned by subsidiary, BTA Securities, together with the prohibition to transfer these shares to third parties. The issue of releasing shares held by a subsidiary BTA Securities from attachment was considered during court session on 13 May 2013, - by the results of hearing the court ordered the Türkiye Vakıflar Bankası T.A.O., to fulfil a number of legal proceedings relating to the payment of state duty within 10 days. A hearing on the case will resume when Türkiye Vakıflar Bankası T.A.O. will fulfil the said court order. On April 4, 2013 UD Bank received articles of bank registered with the Ministry of Justice of the Republic of Kazakhstan;

On May 21, 2013 High Court rendered the final order on collection, which gives KPMG, management company, full powers to sell three luxury premises that belong to Mukhtar Ablyazov and located in Great Britain.

This decision was adopted as part of legal proceedings initiated by the Bank in order to return the assets that were illegally diverted from the Bank by Mukhtar Ablyazov when he was the Chairman of the Bank's Board of Directors. This decision follows a number of other important decisions ruled by the Court in favour of the Bank for a total of about 3.7 billion US Dollars.

Changes in the structure of the Group (subsidiaries)

On April 5, 2013 BTA Bank closed its representative office in Dubai (United Arab Emirates - UAE), in accordance with the decision adopted by the Board of Directors. This representative office was created in 2007 to support official contacts with banks, international financial institutions, government authorities and administration of UAE. However, the original idea of creating a representative office is no longer of current interest. The decision to close the representative office of BTA Bank in the UAE was made within the program of optimisation of BTA Bank organizational structure, taking into account the strategy of further development of the financial institution and its improved business model.

On April 24, 2013 was signed a subscription agreement for common shares between a subsidiary of NC KTZh JSC "Locomotive Kurastyru зауыты" and "Transmashholding" CJSC on the sale of unallocated common shares of "Locomotive Kurastyru зауыты" JSC in the amount of 2,172,780 shares in the amount of 30 million US Dollars (the equivalent of 4,522 million Tenge).

Transfer of development institutions, financial organisations and other changes in investments in subsidiaries

In accordance with a minutes of meeting with participation of the President of the Republic of Kazakhstan dated January 23, 2013 No. 01-7.1 "On results of social and economic development of Republic of Kazakhstan in 2012 and aims on realization of "Kazakhstan-2050" Strategy" the Government was assigned to create "National development agency" JSC, with 100% ownership by the Government, and the transfer to it the Fund's share in development institutions and financial institutions (Development Bank of Kazakhstan JSC, Kazyna Capital Management JSC, Export-Credit Insurance Corporation KazExportGarant JSC, "Entrepreneurship development Fund "Damu" JSC, "Investment Fund of Kazakhstan" JSC), including the transfer of SK-Pharmacy LLP to the Ministry of Health of the Republic of Kazakhstan.

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

29. SUBSEQUENT EVENTS (continued)**Transfer of development institutions, financial organisations and other changes in investments in subsidiaries (continued)**

In accordance with Decree of the Government of the Republic of Kazakhstan No. 206 dated March 4, 2013 the Fund is allowed to become a participant in Pension Fund "Halyk Bank" JSC, Pension Fund "Grantum" and Pension Fund "Ular Umit" in exchange of part of Fund's share in Kazkommertsbank JSC and BTA Bank JSC.

For the purpose of sale of Fund's share in BTA Bank JSC, Alliance Bank JSC and Temirbank JSC before December 31, 2013, in case the shareholders of banks refuse their privileged right of purchase of shares, the Fund is recommended to:

- take measures on disposal of shares of Alliance Bank JSC and Temirbank JSC to sole strategic investor;
- propose to Halyk Bank JSC to acquire remaining shares of BTA Bank JSC.

At the current moment, the procedures for preparation and agreement of documents related to the approval of regulatory legal acts on creation of "National development agency" JSC, transfer of SK-Pharmacy LLP and disposal of shares of banks' shares are under process.

In April 2013, the Fund transferred 100% interest in Export-Credit Insurance Corporation KazExportGarant JSC, Kazyna Capital Management JSC, Investment Fund of Kazakhstan JSC, Development Bank of Kazakhstan JSC, "Entrepreneurship development Fund "Damu" JSC and SK-Pharmacy LLP to the Shareholder under the trust management agreements.

In accordance with the Presidential Decree dated May 22, 2013 No. 571 "National Managing Holding Baiterek" JSC was created, as consideration of its allocated shares the state owned shares of Export Credit Insurance Corporation "KazExportGarant" JSC, "Kazyna Capital Management" JSC, "Investment Fund of Kazakhstan" JSC, "Development Bank of Kazakhstan" JSC, "Entrepreneurship Development Fund" Damu" JSC, in exchange of gas transportation system assets, railway transport facilities and other property owned by the Republic.

Other events

On April 2, 2013 the Government of the Republic of Kazakhstan increased the export customs duty on crude oil exports from 40 US Dollars per tonne to 60 US Dollars per tonne. The decree was enacted on 12 April 2013.

On May 14, 2013 was issued the Decree Astana akimat No. 113-746 "On Amendments to the Decree of Astana akimat dated 4 February 2013 No. 113-119 "On acceptance of the facility to the communal property of Astana city".

According to the Decree the State institution "Finance Department of Astana city" (the "Department") is mandated within the period established by the legislation of the Republic of Kazakhstan to conclude with Kazatomprom, a subsidiary of the Fund, a gift contract for the "Palace of schoolchildren creativity, located at B.Momyshuly avenue, No. 5" (the "Building"), by accepting at no expense the Building to the communal property Astana city with total carrying value of 22,801 million Tenge.

Currently, the gift contract between Kazatomprom and the State institution "Finance Department of Astana city" is in the process of signing.

On January 25, 2013 Ozenmunaygas JSC, subsidiary of NC KMG received a notification from the Mangistau Oblast Environmental Department on compensation to the state budget for environmental damage in the amount of 59,300 million Tenge, specifically the illegal placement of oily wastes (oil contaminated ground removal at illegal sludge reservoirs). The amount of the damage was based on the results of an inspection for the period from August 27, 2011 through November 12, 2012.

On February 26, 2013 Ozenmunaygas JSC filed an application to the Special Regional Mangistau Economic Court on recognition the act on the results of examination as illegal and calculation of economic damage as unreliable. On March 7, 2013 Mangistau Oblast Environmental Department also filed a statement of claim on forced recovery of damage to the same court.

The court ruling dated May 22, 2013 Ozenmunaygas JSC claim was satisfied in full. The inspection performed by the Mangistau Oblast Environmental Department was declared invalid, and the act on the results of the inspection, the order to eliminate detected violations and calculations of economic damage from environmental pollution were declared illegal. Besides, the court refused to satisfy the claim of the Mangistau Oblast Environmental Department on forced recovery from Ozenmunaygas JSC the amount of environmental damage in the amount of 59,300 million Tenge.